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Kaysone Phomvihan

Report to Lao SPC-Council of Ministers Meeting

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KAYSONE PHOMVIHAN REPORT TO LAO SPC-COUNCIL OF MINISTERS MEETING

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[Text of LPDR Premier Kaysone Phomvihan's report to the 2 March joint session of the Supreme People's Council and Council of Ministers--read by announcer]

[Text] Respected LPDR President and SPC President Souphnacouvong;
 Respected SPC vice presidents;
 Respected LPDR vice premiers;
 Respected adviser of the government;
 Respected members of the SPC and members of the Council of Ministers:

Our young LPDR is entering its third year with every confidence and hope in the glorious future. Carrying out the struggle to defend and build our socialist country amid a thousand and one difficulties and tests, we are very proud to note that under the correct, wise and clear-sighted leadership of our party and state, our people of all nationalities have united as one to march forward confidently with a firm and strong step. From the gloomy life of being slaves who had lost their country, and from the heavy losses inflicted by the war of aggression of the imperialists and colonialists, our people of various nationalities have emerged as the genuine masters of their esteemed and beloved country and of a plentiful, brilliant and prosperous life. More notable still, they are also joining the ranks of the leading nations of the epoch who are majestically struggling toward the supreme goals of mankind.

With the correct and brilliant domestic and international policies of our party and state, with the traditions of solidarity and heroic struggle of our ancestors--Tiao Fa Ngum, Tiao Saisethathilat, Tiao Anouvong, Father Kaduat, Ong Keo, Ong Kommadam, Tiao Fa Phatchai--and with the slogan "Everything for safeguarding and preserving the country and building socialism, and everything for the happiness and prosperity of the people of all nationalities," our people of all strata and nationalities living in urban and rural areas, on the plains or in the mountains, be they old, young, women, workers, peasants, intellectuals, pupils, students, learned persons, or Buddhist monks and novices, have exerted physical efforts and thought in persistently and resolutely implementing the fourth resolution of the party Central Committee and the direction and tasks adopted by the SPC and the Council of Ministers at the joint session early last year with a view to safeguarding, preserving and building the new regime in which the people possess collective mastership, and building the new socialist economy, culture and man.

The vast revolutionary movement carried out by the masses in tackling famine, starvation, ignorance and backwardness has become and is becoming strong and surging current throughout the country, scoring numerous great victories, including such unprecedented ones as that scored against the severe drought last year.

Even though the victories scored in the past year were only initial ones, they deserve our commendation since they clearly reflect the outstanding characteristics of the new socialist regime.

Our people are very proud of and happy with their glorious new regime. Our fraternal friends near and far have expressed their faith in and acclamation for our great efforts.

We are fully aware that in advancing along the path toward socialism we will encounter numerous difficulties. The enemies have not yet renounced their dark designs to destroy and sabotage our revolution, while the wounds of war which we have not yet able to heal and the vestiges of colonialism and feudalism have constantly caused confusion in our country.

However, we are not afraid. We have never retreated a single step. We are fully confident that because we have scored and are scoring victories, we will certainly continue to be victorious.

Respected excellencies and comrades: This joint session of the SPC and the Council of Ministers is held in an atmosphere of active revolutionary campaigns carried out by our people of all nationalities throughout the country. At this meeting, we will review the situation of the implementation of the fourth resolution of the party Central Committee and the plans and policies of the state during the past year. On the basis of this discussion, we will outline the orientation and tasks for the next 3 years, and, at the same time, adopt the main tasks of the state plan for 1978.

Part I: The Situation and Victories of the Implementation of the Line, Plans and Policies of the Party and State in the Past Year

A. Since the peoples of the three Indochinese countries scored great victories of profound epochal significance, and even though the situation in the world remains confusing, the three revolutionary currents have continued relentlessly and vigorously to surge and are developing unprecedentedly in favor of the revolution. The world's socialist system has incessantly grown stronger and bigger, and has expanded and broadened from Europe to Asia and Latin America, which is located right next door to the imperialist stronghold. At present, with the developments of the situation in Angola, socialism has emerged in the underdeveloped African continent.

Within a short span of 60 years, socialism has become a global system. This is the truth. At present, the socialist countries have grown unprecedentedly strong and large. As for the USSR, it is apparent that it is far stronger than the United States in national defense forces, strategic arsenals, and the output of various important industries such as steel, iron, oil, and machine tools. It is certain that in the not too distant future, the USSR will become far more capable than the U.S. imperialists in all fields. This is one of the reasons why the U.S. imperialists have to think very carefully when playing with fire.

The socialist system has become a decisive factor in the development of society in the present era, a development that has already been testified to. We have come to the final conclusion that the thorough and complete victory of the revolution in our country can never be separated from the great support and assistance of the fraternal socialist countries. Our revolution originated from profound patriotism plus Marxism-Leninism and genuine internationalism, which are physically related to the growth of the world socialist system. Our revolution is also related to some extent to the Great October Socialist Revolution. This is an undeniable objective reality.

Of course, there exist numerous problems in the socialist system. Moreover, there also exist severe conflicts in this system, which have been constantly fanned up by the imperialists and reactionary forces. Nevertheless, such conflicts are only temporary. They are not the true nature of socialism and will never obstruct the incessant growth and expansion of the world socialist system.

All this clearly testifies to the excellent and invincible characteristics of socialism. The national liberation movements in Asia, Africa and Latin America, which are vigorously and continuously developing in all respects, along with the nonaligned movement, which is following the path of solidarity in resisting imperialism for political independence and for mastery of one's own natural resources, have smashed and are smashing old and new colonialism into pieces. More important, the struggle movements for national liberation and national independence owe an increasing debt to socialism.

This is an initial factor objectively caused by the special characteristics of the era of bypassing capitalism to socialism. At the same time, the support and close alliance between the national liberation movements and the socialist revolutionary movement is also changing every day. The colonialist imperialists and reactionaries are trying in every way to pull the national liberation movements from their natural orbit. They are busily dressing up the local reactionary powerholders whom they secretly prop up. At the same time, they also slander and attack the movements for national liberation and national independence, try to assassinate progressive persons, and instigate coups d'etat to topple progressive governments. Moreover, they also wage limited wars and use their notorious lackey's administrative powers to halt the growth of the national liberation movements. Thus, we must always maintain high revolutionary vigilance in the face of the desperate struggle of the imperialists and reactionaries. However, it is obvious that they are becoming further deadlocked with each passing day, and will inevitably be defeated.

The struggle movements of the laboring classes and working people in capitalist countries for a better life, democracy and social progress are vigorously developing in various forms and by various means. They are drawing more and more people into their ranks and are scoring many new victories. Such a development has caused uneasiness in the very nest of the capitalists. They are trying in every way to change the form and appearance of their old policy of relying on bayonets and weapons with a view to deceiving world public opinion and suppressing the struggle movement of the masses so that they can maintain their status quo.

Even though these notorious and cunning tricks and the feeling of hopelessness that occasionally pervades the struggle movement of the masses in the capitalist countries may restrict the advancement of that movement to a certain extent, the capitalist will never be able to obstruct the laboring people from accomplishing their historical task of digging the grave of capitalism.

The imperialists are desperately struggling in the wake of the strong and relentless attack of the three revolutionary currents in the world: They are growing older and weaker and are inexorably deteriorating. They are encountering one crisis after another. Their inflation and unemployment problems are exacerbating with each passing day. Their social problems are also multiplying a hundred-fold. Such deterioration can never be cured by magic words.

In addition, their internal conflicts are also becoming more severe. The monetary war and the war for raw materials, fuel and markets among the imperialists themselves is also becoming increasingly sharper. It is certain that such wars will come to an end only when all the imperialists have met their doom.

International Situation

Having been defeated and dealt stunning blows in the Indochina war, the U.S. imperialists are now going all out to preserve their role as chieftains of the imperialist side. However, they face numerous difficulties in all areas, both at home and abroad. Nevertheless, extremely reactionary and intransigent as they are, the U.S. imperialists are using their great resources to capitalize on the disunity among the world's revolutionary movements and trying to restructure their global counterrevolutionary strategy to involve security cooperation and sharing of responsibility. They are pressuring their allies to develop their forces to bridge the gap between the United States' own absurd strategy and its decreasing capabilities. However, the U.S. imperialists and their allies can not achieve success. They will only lead each other to hell.

The U.S. imperialists' policy is to pressure and dip their hands into the pockets of various friendly countries near and far in order to flood those countries with their surplus goods, thereby bringing their economies to a standstill. They have nurtured their faithful lackeys in these countries and used them as tools to suppress the patriotic, progressive movements of the people. They are also advertising a farcical "balance of forces" to deceive and split the world's revolutionary movements, and spreading propaganda to conceal their policy of accelerating weapons production and strengthening various military bases with a view to implementing their so-called "strategy of threats and warnings."

The U.S. imperialists' schemes are very subtle and brutal. Their attempts to attack and overthrow revolutionary movements in various regions and to interfere in all progressive movements shows their reactionary, stubborn nature and that of their associates. Although the imperialists and reactionaries continue taking advantage of the confused situation, causing a certain amount of damage to the world's revolutionary movements, it is certain that--like the Lao saying, "an elephant can die from getting entangled in vines, while a tiger can be killed with a stick"--no matter what they do, they will not be able to arrest the decline of imperialism in the world. The more they wriggle, the more quickly they will fall.

B. Southeast Asia is one of the most important regions in the world. It is true that the situation in this part of the world is changing in a complicated manner, but it is much different from the past. With the great victories of the three Indochinese peoples and the U.S. imperialists' forced withdrawal from Indochina, the balance of forces in this region has clearly changed in favor of the revolutionary side. The struggles for genuine peace, independence and neutrality are vigorously developing among the people, especially the middle classes. The revolutionary struggles guided by the working classes in Southeast Asian countries have been maintained and developed.

The internal disputes among the imperialists, as well as those among the powerholders in the Southeast Asian countries, have exacerbated. However, faced with the danger of collapse in accordance with their own domino theory, imperialism and various reactionary powers in this region are seeking by all means to settle internal disagreements, suppress the people's struggle movements, deceive public opinion at home and abroad, and thwart and split the revolutionary and progressive movements in this region.

The U.S. imperialists are scheming to use U.S.-Japanese security cooperation and so-called "detente and balance of forces" in this region to conceal their criminal hands. They are striving to concentrate all reactionary power, and are seeking by all means to instigate and interfere in the ASEAN group in accordance with their dark schemes to turn this group into a military alliance of some form or other.

They are now conducting a very subtle, vicious, counterrevolutionary two-faced campaign to deceive public opinion and lull us into reducing our vigilance. They have created certain disturbances, thus causing temporary problems for the revolutionary movements in this region and a difficult period of development on the road forward. However, the revolutionary movements in this region continue to develop. They will achieve further successes. This is the inevitable trend of this region, which cannot be reversed by any imperialist or reactionary forces.

With regard to the situation in Thailand over the past year, there were some complicated problems requiring our attention. The U.S. imperialists, after retreating for a period in face of the vigorous struggle of the Thai people, have now been allowed to reactivate in certain forms some of their military bases in Thailand. Also, Japan is investing heavily in Thailand. These factors not only seriously affect the goals of the Thai people

of all strata who have been sacrificing their blood to achieve genuine peace, independence and neutrality for Thailand, but also directly threaten the security of our country.

Since the dictatorial, fascist Thanom-Praphat clique was overthrown by the patriotic, democratic movements of the Thai youths, students and people, many Thai governments have taken turns administering the affairs of the country. However, all those governments continued to suppress the patriotic, progressive movements of the Thai people. They continued to foster, support and assist the exiled Lao reactionaries in their fight against our Lao revolution. They continued to violate our country's territory and airspace. It is true that they have opened their border with our country at certain points, but they have restricted and obstructed the transport through Thailand of goods necessary for production and for the daily life of our Lao people. Obviously their words do not match their actions. Such actions have affected goodneighbor relations between the peoples of Laos and Thailand.

C. In the aftermath of the great successes of the militant solidarity alliance among the three peoples of the three nations--Laos, Vietnam and Cambodia--in defeating the U.S. imperialist aggressors, a new factor has come to public attention. For almost half a century Laos and Vietnam have been comrades and brothers, regularly sharing weal and woe in the joint struggle against the common enemies of the three nations in Indochina--namely the French colonialists and the U.S. imperialists--for national liberation and national independence. This precious, traditional solidarity has become a law of development in the revolutions of each country. Entering the stage of the socialist revolution, the friendly relations and cooperation between Laos and Vietnam have been continuously consolidated and their quality developed on a new basis in the cause of defending and building socialism in each country according to each country's line of independence and self-mastery. Lao-Vietnamese relations have become a vital factor guaranteeing normality in this region. Our party, government and people have done their best to maintain, foster, promote and expand this great, special solidarity.

The parties and governments of many fraternal countries rejoice over this fine situation. Our enemies have always sought by all means to sabotage the special relationship between Laos and Vietnam. Therefore, we cannot be careless. We must be continually vigilant and maintain our determination to defeat them ever more painfully.

Recently a sad situation for the peoples of the three Indochinese countries has developed--the armed clashes along the Cambodian-Vietnamese border. The Cambodian and Vietnamese peoples developed solidarity, unitedly fought shoulder to shoulder and together won victories. This militant solidarity was a vital factor in Cambodia's and Vietnam's efforts in pursuing their revolutionary cause. Border problems between the countries in Indochina go back into history. The colonialists caused confusion in this regard for almost 100 years. The building of a border of friendship is a political responsibility of each of our countries, and the key to resolving this issue must be found in the true nature of socialism.

Our Lao people are proud of the model demarcation of the border line of friendship between Laos and Vietnam, which was accomplished in a spirit of comradeship and fraternity. We maintain that the three-point proposal contained in the SRV Government's statement of 5 February 1978, on relations between Vietnam and Cambodia, is a rational one. We are firmly convinced that with the time-honored solidarity and friendship

between the peoples of the two nations, Democratic Cambodia and the SRV will meet and hold discussions as early as possible. We hope that through negotiations the two countries will successfully settle the border problem. Our people's earnest desire is to maintain relations of special solidarity among the peoples of the three countries--Laos, Vietnam and Cambodia--and to make them bright and last forever.

In short, regarding the general situation in the world and particularly in this region, following the successes of the three Indochinese peoples, the three revolutionary currents of the world continue to vigorously expand their offensive and win many victories, thereby daily shifting the balance of forces in the world as well as in this region clearly in favor of the revolution. This is an objective condition creating most favorable advantages for all revolutionary and progressive movements.

The U.S. imperialists and the reactionaries are resorting to all kinds of subtle, cruel trickery. For example, they are trying to take advantage of and to aggravate the present disagreements among the world revolutionary movements in the hope of fulfilling their evil schemes. They have recently caused a certain amount of damage in this respect. Therefore, we absolutely must constantly heighten vigilance.

The inevitable victory of the might of the militant solidarity of the world revolutionary movements cannot be reversed. The special characteristics of the epoch allowing a country to proceed directly to socialism by bypassing capitalism are becoming brighter, and they cannot be obstructed by any reactionary force.

Domestic Situation

Our revolution has entered the period of socialist revolution; we are carrying out socialist transformation and construction during a period in which the world situation as well as the situation in this region are basically favorable to us. However, as mentioned above, many complex problems remain.

Because of our perseverance and international support, such as the great assistance and support rendered by the various fraternal socialist countries, our stand and might at home and abroad are now stronger than ever. Meanwhile, through the actual deeds performed over the past 2 years of struggle, we have more profoundly perceived the special aspects of the revolution in our country.

Our country has become the outpost of socialism in Southeast Asia; the status and role of the revolution in our country have become significant factors in this "revolutionary monsoon region."

The growth and development of our revolution have become a point of concern and interest for the imperialists and reactionaries. They have not yet renounced their dark schemes to counter and sabotage the revolution in our country and have resorted to every cunning trick possible in the political, military, economic, cultural and diplomatic spheres. The enemy's basic and ongoing scheme is to carry out acts of obstruction in the hope of preventing our country from achieving order and of weakening our revolutionary forces so that we can never succeed in reaching socialism. The imperialists and reactionaries are using exiled Lao reactionary forces and fifth column forces, spies and agents of all types, and the remaining economic and cultural vestiges of neocolonialism and feudalism to constantly cause disturbances in and sabotage our country. They are trying to create division among our people and between Laos and various socialist countries, such as Vietnam, and are carrying out economic sabotage activities against us. Such basic sabotage and destructive activities are extremely dangerous at present. Thus, we must continually heighten our vigilance in this regard.

Even though in the past the various imperialists and reactionaries had differing intentions and objectives, they colluded with each other to some extent to obstruct and sabotage the revolution in our country. The struggle between us and the imperialists and reactionaries to safeguard our country and the correct line of independence and sovereignty of our party and state and to build socialism is a fierce, complex and resolute struggle with class, national and international characteristics. It is a decisive struggle since it will settle the question of who wins over whom between socialism and capitalism--a conflict which is developing in our society and is closely related to the struggle to build large-scale socialist production which must develop in our country from the small-scale production nature of our natural economy [setthakit thammasat].

In this struggle we still face many difficulties, some major, but we must be clearly aware that such difficulties are to be expected on the path of developing the revolution in our country. Moreover, we must clearly understand that we have favorable conditions for our revolution--that is, we have a correct party line, a popular democratic state which is being consolidated with each passing day, and the overall strength of the new system; our country is rich in natural resources; and we are enjoying enormous international assistance. Therefore, although our struggle for national defense and socialist construction and for the happiness of the people of all nationalities remains complex, sharp and long, our socialist revolution is bound to triumph if we know how to effectively bring into full play the overall strength of the entire country in coordination with the strength of the era.

Under the correct leadership of our party and state, implementing our domestic line--to strengthen and firmly grasp the dictatorship of the proletariat, to implement and promote the right to collective mastership of the laboring people and to simultaneously carry out the three resolutions--and our foreign line--to rely strictly on socialism, particularly to strengthen the alliance and all-round cooperation with Vietnam, and to strive to win international assistance and cooperation--and bringing into full play the strength of the entire nation, we have led the revolutionary cause of the country in a swift and steady advance.

We must observe and correctly assess the implementation of our party and state line. We must also sum up essential experiences so as to lay foundations to enable us to further advance.

1. We have recorded great success in the struggle to consolidate national independence, in the defense and consolidation of the new system and in strengthening our peace-keeping and national defense efforts.

As previously mentioned, the imperialists and the reactionary forces have not yet renounced their schemes to sabotage and destroy the revolution in our country. They are resorting to all sorts of cunning tricks in the hope of quickly overthrowing our new system. Yet these dark designs have continuously failed. This is why they are turning to political and economic activities, waging espionage and psychological warfare in coordination with military sabotage activities aimed at permanently thwarting our revolution.

However, under the correct leadership of the party and state, our struggle against all enemies, for the defense of the country and the new system in general and for the national defense and peace-keeping task in particular, has achieved the following great successes:

We have promptly uncovered, checked and smashed many major enemy schemes. We have dismantled clandestine enemy reactionary organizations in many areas and have continuously shattered all enemy designs to incite and create anarchy. We have wiped out and eliminated many spy and commando units which the enemy has sent.

Mindful of the three directions [thit taang] adopted by the Central Committee, we have carried out agitation work in ethnic minority areas, thus smashing enemy schemes to build bandit dens in those areas. What is commendable is that most of the fraternal soldiers, policemen and government officials of the old regime, who are being educated, trained and assisted by the administration and people, have awakened and are vigorously taking part in labor, thus contributing to national construction. The victims of the old society are being rehabilitated and most of them are making a living and building a bright new life.

Thanks to the various positive activities of the state, our people and the various national defense and peace-keeping forces, we have successfully maintained a basically peaceful situation and are improving it with each passing day, thereby creating favorable conditions for socialist transformation and construction and for normalizing and gradually improving of the people's living conditions. We are making many efforts to build mass networks of national defense and popular armed forces and peace-keeping forces. Many localities are closely coordinating political activities with economic and peace-keeping activities, thus creating conditions for swiftly and firmly advancing local construction projects in all respects.

It is true that we still face many difficulties, but we have been making efforts to increase both the quantity and quality of our people's armed forces and to build the armed forces with an ever stronger organizational structure.

The people's peace-keeping forces have doubled. A unified organizational system has been established at all levels--ranging from the central to the grassroots levels. We have attached special importance to the building of the armed forces and the people's peace-keeping forces in the political field. At the same time, we have striven to provide all planned military and vocational training.

Many units and regiments have scored remarkable achievements in building the economy, boosting production and helping the people carry out tasks in all fields. Worthy of note is that many units and regiments have shown their ardent loyalty to the country and to socialism, have maintained the spirit of fearing no sacrifice and surmounting all difficulties, have concentrated on fulfilling all tasks whenever required, have resolutely attacked the enemy, and have positively implemented all plans and policies of the party and state.

2. We have scored many achievements in restoring and developing the economy and in transforming and building socialism. In the recent past, despite the enemy's sabotage of the economy and our socialist construction. Despite serious drought and lack of experience, by relying on the correct economic and socialist line of our party and state and the great perseverance and industriousness of our people, we have achieved some successes in the initial stage. Production has been restored. Production in some fields, particularly in the agricultural field, has been further developed. Our material and technical basics have increased, while our economy has begun changing along the lines of an independent and sovereign socialist economy.

A. Concerning the field of agricultural and forestry production, we have come to clearly understand the important role of this sector in our country. We have realized that it is necessary to make our country economically strong in order to bring about socialist industrialization.

On the agricultural production front, we have tried to reach the goal of being self-sufficient in food at an early date. Last year, the weather did not permit this, for drought continued for a long time, the amount of rain was less than in previous years, and it did not fall in the right season. But because our party and state have concentrated on guiding production, relying on, promoting and expanding the strength of the entire people, we were able to limit most of the losses.

It is noteworthy that our party and state have extensively encouraged movements to build irrigation projects and combat drought throughout the country. Tens of thousands of people have been mobilized to participate in these movements. In many localities, thousands of people have been persuaded to carry water from rivers or marshes to paddy fields and to resow or re-transplant seedlings again and again. This has never happened before in the history of our nation.

Along with the movement to build the irrigation system, centralized agriculture--including selecting seeds, clearing away weeds, fertilizing, planting starchy crops and growing dry season rice has also been expanded on a large scale. The movement to build a collective agricultural system, by setting up solidarity units to promote production and using labor-exchange units to conduct experiments in building agricultural cooperatives, has also been widely developed.

Because the people have been encouraged and firmly guided by party committees and administrations at various levels, despite last year's serious drought, our harvest has not suffered losses as great as predicted. An important point is that we have successfully encouraged movements to build irrigation projects, carry out centralized agriculture and create wide-spread collective agricultural system.

In addition, the various revolutionary forces at the grassroots level have been consolidated and strengthened to a higher degree. The relationship between the party, the administrations and the people has been consolidated with each passing day. The superiority of the new regime has been clearly shown. Furthermore, we have successfully made significant changes in the leadership procedures of party committees and administrations at various levels which now have close contacts with the people. As a result, they have grasped the requirements and aspirations of the people, have gained confidence in the people and have relied on the people in order to eliminate and settle all difficulties.

B. In the industrial field, over the past year, along with stepping up agricultural production, we have made many efforts to speed up the restoration of various branches of industry and handicrafts. We have restored the activities of many industrial factories while establishing a number of additional bases. We have made industry serve agriculture, the repair of communications lines and the transportation system, and the production of necessary goods for people's daily life.

In general, various factories now under centralized leadership have carried out production in a quite effective manner. The amount of electricity produced in 1977 increased by 10 percent compared with that of 1976. Salt-producing operations of Ban Bo and Ban Keun villages in Vientiane have increased their salt production from 3,000 tons to as much as 7,000 tons per year. Factories producing ordinary type farm tools have also striven to increase each factory's production from 40,000 to 100,000 tools per year. Various looms, distilleries and plastic factories have also raised their production capacities.

In addition, we have striven to restore the production of tin and to organize that industry. We have also restored forest exploitation. We have also expanded a number of additional factories, including those producing animal feed and vaccine. Seventy-five percent of the Nam Ngum hydroelectric works' second stage have been completed. A number of handicraft industries, which had been discontinued, have now been partly restored. Those handicrafts include family-scale weaving, pottery, basket making, blacksmithing, making salted fish and producing fish sauce. As a result, the number of locally made products necessary for daily life has increased to meet most requirements of the people in each locality.

C. Concerning communications and transportation, they are of national importance in the fields of economy, national defense, guaranteeing independence and sovereignty and strengthening economic relations and cooperation with various socialist countries against foreign economic encirclement and pressure.

In the recent past, we have concentrated on building a number of all-weather roads to the sea through Vietnam. We have tried to connect roads throughout the country. We have successfully built an oil pipeline capable of carrying more than 100,000 tons per year. In addition, we have signed an agreement with Vietnam on the transport of goods through the port of Danang.

At present, we are consolidating and reorganizing state and private transport units. Several provinces have conducted surveys and have built roads in their localities. Certain provinces have managed to build over 100 km of new roads, and have encouraged people to build roads linking all the cantons together. They have made initial efforts to mobilize the people to participate in transport work, for example, by setting up people's transport units in each village, and by using rudimentary and modified transport vehicles. All this is very important. That is why the sector has been able to respond to the people's needs and to effectively utilize the transportation resources of the state.

E. Posts and telecommunications. In the past year, posts and telecommunications work both at home and abroad has been developed. Attention has been paid to training and improving technicians and management cadres. The posts and telecommunications sector has also begun to lay the groundwork for repairing radio sets to serve government offices, organizations and people.

F. Regarding building the foundations of the economy, we have consolidated state capital and have mobilized the people to build a number of irrigation facilities, to reclaim wasteland, to clear new ricefields, and to build roads, schools, hospitals and other facilities. As for the establishment of some state utilities which can be built by domestic forces, this has been accomplished in several areas, for example the building of agricultural communes, forestry communes, electric power lines to serve some factories, warehouses, living quarters, offices, schools, bridges and roads in various localities.

Certain enterprises set up and run by our own personnel with material assistance from foreign countries have also been expanded, for example the factories producing animal feed and vaccines, several irrigation-related facilities in Vientiane, and some other factories and hospitals. In addition, certain materials imported from other countries--for instance trucks, machines and other construction materials--also constitute an important investment in building our economic foundations.

As for enterprises totally built and aided by foreign countries--for example oil pipelines, important transport routes, airfields and the second phase of the Nam Ngum Dam project--some of them have already been completed while some others are under construction. We have allocated 43 percent of our 1977 budget to build these foundations. Such a ratio of investment under the present economic conditions in our country is a very encouraging sign.

G. Goods circulation and distribution. We are increasingly convinced of the great significance of this task in relation to trade, production, the people's living conditions, the worker-peasant alliance, the unity of our people of various nationalities, the struggle between the two lines and the guaranteeing of national independence and sovereignty. Wherever this work is effectively carried out, the people's situation will always become easier, their living conditions improved, and their confidence in the new regime consolidated.

Regarding goods circulation and distribution, our party and state clearly point out that we never fear hardships, difficulties or shortages, but we are wary of unjust distribution. In the past, several branches of work at all levels concentrated great efforts in this regard. A number of party committees and administrative committees at various levels have expressed concern and have consulted with one another in diligently finding sources of goods and, with the assistance of the higher level and local agencies in neighboring countries, transporting such goods to their localities for distribution among the people whenever needs arise.

The state and people's collective trade networks have been increasingly widened, thereby facilitating the flow between urban and rural areas, and between the state and the peasants. The work of collecting and purchasing agricultural, forestry and handicraft products has been successfully carried out in certain localities, thus more effectively meeting the needs of state offices, organizations, LPLA units and the people. Efforts have also been made in various localities to encourage small traders to engage in production or act as state retailers in order to contribute to our efforts to expand existing markets.

H. Finance and banking. In the past, we have made considerable efforts in building the socialist financial foundation. The government has adopted and put into practice a revenue-and-expenditure financial management system and a management system of administrative expenditures and revenues from state enterprises. It has also implemented a new policy on industrial and trade taxes, as well as import and export taxes, and has amended and consolidated the policy on agricultural taxes. We have attempted to increase sources of revenue for the annual budget, to guarantee good management of administrative expenditures, to use accounting to promote the restoration of production and to serve the people's livelihood, and to expand production as a means to increase revenue, coupled with implementation of the new policy on industrial and trade taxes, and the registration of industrial and trade enterprises.

People in various localities have been encouraged to deposit their savings in the national bank. In 1977 we managed to encourage the people to deposit over 100 million kip in the bank.

We have organized training courses for several batches of cadres on management and accounting, and have advised and encouraged state-run factories and organizations to conduct inventories of their property and to register it.

We have received considerable aid from foreign countries, 77 percent of which was from fraternal socialist countries and 23 percent from various friendly countries and international organizations.

In brief, we have made considerable efforts in building economic foundations and the economy, and have scored certain achievements. Even though these are only initial achievements, they are fundamentally significant. They testify to the fact that the economic policy of our party and state is correct. They allow us to look for various new factors and good examples. As a result, they have paved the way for us to understand how to implement our policy in conformity with our conditions and insure the best results.

3. The education, cultural and public health fields. We have scored rapid large-scale progress in this field, which has notably contributed to enhancing the excellent characteristics of our new regime. Educational, cultural and public health work, especially education, plays the most important role in effecting the ideological and cultural revolution outlined by our party and state. Our educational work, including the three aspects of education--formal, supplementary and vocational--and the training of school teachers, has made brilliant progress.

The number of schools, classrooms and formal schoolteachers and pupils have markedly increased. The state has abolished the system of school fees and has built more schools and classrooms in rural areas to admit more children of peasants and laboring people. People in all localities have also joined in diligently building more schools. The number of formal pupils in the 1976-77 school year increased by 53.4 percent compared to that of the 1975-76 school year. The number of secondary school students increased by 34 percent, while that at the senior high school level increased by 12 percent. At the same time, the number of teachers also increased by 27.2 percent. The quality of education has also been improved. The results of the final examinations of the past academic year show that 93 percent of elementary school pupils, 91 percent of secondary school students and 96.13 percent of senior high school students passed their examinations.

The number of people studying to be teachers also increased dramatically. In the 1976-77 academic year, the number of teaching students increased by 91.25 percent. The number of higher education teaching students also increased by 93.14 percent. In addition, 146 kindergarten teachers have been trained. Moreover, there are at present over 10,000 students attending specialized courses in various provinces and in Vientiane municipality.

In 1977 we managed to help more than 600,000 additional people become literate in 814 villages, 40 cantons and 3 districts. So far, we have managed to make 60 percent of our population literate, thus laying an excellent groundwork for achieving the target of totally eliminating illiteracy by 1979-80. Xieng Khouang, Houa Phan, Phong Saly and Khammouane provinces constitute excellent examples in the movement to stamp out illiteracy and to promote cultural knowledge.

In Xieng Khouang Province in particular, people in various cantons are encouraged to attend cultural training. All people in Ngot Ngum canton have completed elementary level cultural training. At present, 31 percent of the workers of the Xieng Khouang party committee and the provincial administrative committee have completed cultural training at the secondary level, while a number of them have completed higher level cultural training. In Houa Phan Province, most of the canton-level cadres have completed the elementary-level cultural training.

All offices, organizations and ministries have also organized effective cultural training courses for cadres and workers. The most outstanding is the Ministry of Communications, Public Works and Transportation. Cultural training in various localities in the past has greatly contributed to raising the quality of cadres and has effectively promoted the utilization of new science and technology for agricultural production, the management of cooperatives and building a new countryside.

Since the entire country was liberated, propaganda, information and cultural work have developed splendidly. Generally speaking, the various radio broadcasting stations, loudspeaker networks, press agencies and newspapers have played a quite positive role in propaganda work at home and abroad. Attention has been paid to publicizing and mobilizing support for the implementation of the central tasks of the party and state in each period. Further progress has been achieved in publicizing activities at the grassroots level, such as those concerning agricultural production.

The mass art and literature movement has been launched in close coordination with production and cultural study movements and has vigorously developed in many towns and rural areas, thus contributing to boosting the revolutionary enthusiasm of the masses.

Cultural and literature work has contributed to doing away with the vestiges of the old society, the rotten way of life, and prostitution, to rehabilitating drug addicts, long-haired playboys and hooligans; to restoring the fine national customs and human dignity; and to promoting the building of a new life and new socialist men.

Last year, the sanitation and disease prevention movement continued to be broadened among the masses in various localities, offices, organizations and the army. Public health networks for the laboring people have been enlarged and the people have been treated free of charge. The combination of modern and traditional medicines has further developed. Many provinces and towns are attempting to set up additional public health bases and the training and building of medical cadres at the central and provincial levels continue to develop. At present, public health personnel are working in 70 percent of the villages in the whole country. Fifty-six percent of the cantons throughout the country have clinics, and there are 99 hospitals at the district level and 15 provincial and central hospitals.

At present, there are 5,009 medical cadres--114 higher medical doctors, 445 medical assistants and 4,450 nurses. In 1977, as much as one-third of the whole population received vaccinations and medical checkups. In short, public health work has positively contributed to maintaining the people's health, serving production and improving confidence in the new system among the laboring people and people of all nationalities.

Events in the past 2 years show that despite the fact that our material life has not quickly improved, we have successfully enhanced our fine and civilized cultural life. We have also relied on the people and mobilized them to quickly develop educational, public health and cultural work.

4. Diplomatic efforts. Diplomatic efforts contributed to new developments and enjoyed great success last year. We have upheld the banners of national independence, socialism and proletarian internationalism and persisted in protecting and promoting the foreign policy line of our party and state. We have strengthened militant solidarity, relationships and mutual cooperation and assistance between our country and the various fraternal socialist countries on the basis of Marxism-Leninism and true proletarian internationalism. The various fraternal socialist countries have rendered great and effective support and assistance to our national defense and socialist construction tasks.

We have always regarded and continue to regard the strengthening of the special relationship among the three peoples of Laos, Vietnam and Cambodia as supremely important. We consider this relationship to be one of the many important factors that brought victory to our three countries in the national salvation struggle against the U.S. imperialists.

At present, in the struggles for the defense of peace and for national construction, the common interests of the three nations and the specific interests of our country require us to consolidate and strengthen the above-mentioned solidarity and relationship.

Last year our country and the SRV signed a treaty of friendship and cooperation and a treaty on delimiting our common borders. This marks a new step in the developing of solidarity between Laos and Vietnam. These treaties meet the aspirations and legitimate interests of each country. They serve to increase the overall strength of both countries as well as the interests of peace and progress in Southeast Asia and the rest of the world.

We positively support the various nations' struggle movements for peace, national independence, democracy and social progress. We are positively promoting and developing our country's status and role in the movement of the various nonaligned countries, international organizations and the United Nations. As a result, we enjoy worldwide sympathy and get support and assistance. Meanwhile we have resolutely struggled against all imperialist and reactionary policies and actions that violate our national independence and sovereignty.

With regard to Thailand, we have positively supported the struggle movements of the Thai people of all strata for independence, peace and true neutrality and against the presence of U.S. imperialist bases in any form on Thai territory. We are willing to restore and strengthen normal neighborly relations with Thailand on the basis of respect for each country's independence, sovereignty and territorial integrity, noninterference in each other's internal affairs, equality and mutual benefit. At the same time we demand that the Thai powerholders stop feeding, assisting and backing the exiled Lao reactionaries to counter the Lao revolution, and that they halt all violations of our land, water and air territories.

Thanks to the correct diplomatic line of our party and state and to our positive activities, we have made honorable contributions to the struggle for peace, national independence, democracy and socialism in the southeast Asian region and the rest of the world, thus boosting the international status and influence of our party and state.

5. The work of building the administration and the work of front affairs have achieved many good results. Under present conditions in our country, the question of increasing efficiency in managing the administrative tools at each level and of promoting and developing workers' collective mastery under party leadership is a key factor in successfully defending and building socialism in our country.

Last year our administration--from the central down to the grassroots levels--was further consolidated. Through mass agitation and through production, peacekeeping and other movements administration at the grassroots level has been consolidated and made firmer. Many local administrations have given full play to their useful role in guiding production and peacekeeping work, and in building a new, bright way of life. Administration at the district and provincial levels is daily promoting and developing its role in economic and social management and in guiding and checking on basic activities.

The administration at the central level has been gradually consolidated, and has received and enforced various procedures and regulations for managing an independent, sovereign state. It is daily becoming more efficient in consolidating peace and public order, defending national sovereignty, managing economic and social affairs and conducting diplomacy.

Administration at each level and the various service branches have actively held specialized and vocational training courses for cadres. Some provinces have held training courses for administrative cadres at the grassroots level. At the central level we have held state and economic management training courses for higher- and intermediate-level cadres.

Considerable attention has been devoted to organizing the masses and to national front work. Since early 1977, through production, irrigation, antidrought, peacekeeping, anti-illiteracy and sanitation and disease prevention movements, the political awareness of the masses has been raised. This has facilitated immediate political tasks and brought fine success in building and consolidating the various revolutionary forces at the grassroots level in many areas, thus creating an atmosphere of revolutionary enthusiasm among the masses and producing fine examples unprecedented in our history.

Such examples are in the construction of medium and large-scale irrigation projects involving tens of thousands of the masses, such as the Nam Moun and Nam Cheng irrigation projects in Vientiane Province, the Nong Deng irrigation project in Saravane Province, the Houei Vang He irrigation project in Champassak Province and the Na Phao project in Khammouane Province.

All these fine examples reflect a new development of the unity among the various nationalities and the unity between urban and rural areas. Many places in the newly liberated areas which were very weak in the past have now organized and established mass organizations and guerrilla organizations which are beginning to show their usefulness in carrying out production and in keeping the peace and maintaining security throughout the country. People of various strata, Buddhist bonzes and novices, intellectuals, learned persons and scientist and technicians have made noble contributions to strengthening national unity and defending the country and the new socialist regime. They have come to more clearly understand the line and policies of the party and state as well as the difficulties being suffered by the country in the transitional period of entering into socialism and prosperity. They are ready to overcome all difficulties and shortcomings, are proud of the new regime, and are confident in the bright future of the country.

All in all, because the roles of the administration and mass organizations have been increasingly promoted and expanded during the past year, the people's collective mastery is now more clearly apparent in all spheres of work in the struggle to defend and build the country, thus pointing to the excellent characteristics of our new regime.

Respected excellencies and comrades:

Thanks to persistent implementation of the fourth resolution of the party Central Committee and the plans and policies of our state during the past year, no matter what confusing changes have occurred, the situation has developed favorably as anticipated by the party Central Committee and the government. From the experience during the past year, we may draw the following conclusions.

1. Having experienced combat, we now even more profoundly understand the special characteristics, role and position of our country and revolution as an important outpost of socialism in Southeast Asia.

The enemies will never renounce their dark schemes to sabotage and destroy our revolution. They have employed all kinds of tricks and cunning methods in coordination with reactionaries inside and outside of the country to attempt to barbarously and cruelly destroy and sabotage our young republic. Nevertheless, with the party's correct socialist line of independence and mastership, with the ever increasingly consolidated LPDR administration, and with the strong heroic revolutionary spirit of our people, we have severely defeated the enemies. Our party's and state's banner of national independence, socialism and glorious internationalism has always been highly cherished, and is further promoting and expanding the strength of its own just cause.

In spite of this development, we must clearly realize that the all-round, protracted, complex and sharp struggle between our revolution and the imperialists and reactionaries is characterized by the nature of classes, nationalism, and internationalism. This development has convinced our army that it must constantly maintain high vigilance and must be prepared in all fields to resolutely and promptly resist and thwart all the enemies' designs.

2. Even though we have not been able to score significant achievements and have encountered certain shortcomings in the transformation and building of the economy, from actual events we can see that the economic policy of our party and state is correct, that is, that agriculture and forestry constitute a major asset of our country. Our concentrating on agricultural and forestry by using food production as the starting point is the most correct plan and policy. However, the development of agricultural and forestry must be all-round. We must grow rice, starchy crops and industrial trees, raise livestock and increase our knowledge of forestry. At the same time, we must vigorously promote industry serving agriculture and forestry by creating agricultural-forestry-industrial structures in each province and district in conformity with the present special characteristics of our country.

In carrying out agricultural transformation, peasants and farmers must be guided onto the path of collective living so as to liberate and expand production forces, strengthen unity in the countryside and consolidate the worker-peasant alliance. This has become an urgent demand of the people and is the prevailing trend in agriculture throughout our country.

Trade plays the most important role in this period as we enter into large scale socialist production, and it must expand from the small-scale production characteristic of the unregulated economy. Sometimes, trade even determines production. Phong Saly Province has achieved brilliant successes in trade in the initial stage. As a result, the people's living conditions have been improved, production has been expanded, revenue and expenditures are well-balanced, and prices have remained stable.

The people in Sayaboury and Oudomsai provinces have demanded that the state buy their corn, otherwise, they will allow it to rot and will refrain from growing any more. People on the Bolovens Plateau have also called on the state to sign a two-pronged agreement [kho phukphan song son] and to buy all the coffee beans.

At present, goods distribution, salaries and payments are based upon trade. This testifies to the important role of trade in our economy. Due to the special economic characteristics of our country, in order to rapidly advance toward large-scale socialist production, we must implement a two-pronged method, that is to simultaneously build the central economy and the local economy.

Nevertheless, the local economy is playing the largest and most important role in eliminating the unregulated economy, in implementing the reorganization and reclassification of work, in coordinating agriculture, forestry and industry, in building and promoting the working class, in implementing local distribution of goods, and in carrying out domestic and foreign trade and transportation and communications work. In addition, it has also created various favorable conditions for cultural and educational development and for maintaining peace and defending the country. Thus, we must be determined to improve the local economy, and the various branches of work of the central economy must energetically support and help the local economy and build all conditions for its rapid and firm development. This is the most correct direction.

In our country, where the goods economy [setthakit sinkha] has not yet been fully developed, labor objectives are varied and competition in the labor sector is not strong, it is not difficult to place production means under collective ownership. However, the most difficult task is to expand and properly distribute production forces and to raise the standards of laboring people so that they can work with good discipline, technical background, high quality, and good organization and management. Production forces and the organization of distribution management are the two decisive factors in building and consolidating new production relations in the countryside. That is why we must concentrate our efforts on finding a solution to these problems.

Agriculture has been initially consolidated under collective management in certain areas. This development serves to raise the quality of production and allows us to accomplish certain tasks which can never be carried out under individual production management, for instance the tasks of building irrigation facilities and roads and clearing new rice-fields. However, if we fail to employ new techniques, to reorganize labor and to adopt an effective distribution management system, production will stagnate and the people's life will not improve. As a result, the new production relations will not be consolidated and there is a possibility that they may even be destroyed.

Economic assistance from and our economic cooperation with foreign countries is very significant to our country. We must firmly grasp foreign policy as well as the line of building an independent and sovereign socialist economy as adopted by our party and state so as to allow us to study this factor in all aspects and to aim at fulfilling the most fundamental objective, that is, to further enhance the production potentials of our country and people.

If we aim only at acquiring foreign currencies and goods to meet the immediate needs of our people, it means that we would, in effect, be following the same old route. Such a practice would only make our friends lose faith in us and hearten our enemies. As a result, our economy would be dependent on foreign countries, and we would fall onto the path of endlessly selling our resources and sovereignty to them at cheap prices. That is why accepting economic assistance from and broadening economic cooperation with foreign countries constitutes a difficult and complex task. In carrying out such a task, we must possess firm principles, correct methods and great perseverance so as to effectively fulfill our goals.

3. The ideological and cultural revolution is one of our most significant battlefronts. At the start of implementing the new economic policy in the Soviet Union, Lenin said: What we presently lack most are culture and management knowhow. What Lenin said is absolutely in accordance with the circumstances now prevalent in our country. We not only lack a necessary level of culture and management knowhow, but also have problems on the stand, attitude and sense of organization of the working class.

We cannot build socialism with the line of thinking and attitude of peasants or small capitalists, nor can we do so with the ideology and attitude of capitalists and feudalists. Socialism cannot be successfully built with the level of today's culture.

To speed up the slow progress in the cultural and ideological field, the masses must carry out revolutionary movements in order to train and temper themselves and to raise their levels of understanding in all fields. One of the most important ways to do this is to concentrate on studying in an effective manner.

To meet the urgent requirements in raising the level of culture, we must follow two directions--expand cultural training for cadres, workers and peasants, and develop compulsory education. In the localities where educational and cultural work has been effectively carried out, cadres, combatants and the people have gained confidence in themselves, and have thus been effectively organizing the resumption of production and the establishment of the collective agricultural system.

We have come to understand ever more clearly that it is necessary to advance the ideological and cultural revolution in carrying out the task of defending and building our country.

4. In foreign affairs, we have resolutely maintained the correct foreign policies of our party and state. We have maintained and strengthened international solidarity with the various fraternal socialist countries, with the national liberation movements, with the nonaligned movement and with the democratic movements in various capitalist countries. In particular, we have consolidated and developed Lao-Vietnamese relations in the new stage. All these factors have raised our position and influenced to a higher level both at home and abroad. We have made positive contributions to the maintenance of peace in Southeast Asia and the rest of the world.

5. A most important factor is the growth and development of the contingent of cadres and party members at all levels and in all branches. Having received training and having participated in the revolutionary movements of the masses, our cadres and party members completely agree with the line and policies of the party and state. Based on this unanimity among our cadres and party members, movements in all fields of various branches at various levels have been developed in their initial stages. Various movements have been guided onto the path of the socialist revolution. This can be seen in all areas of work--production, circulation and distribution of goods, education, cultural training, national defense, peace-keeping, the building and training of cadres, the building of units and regiments, and the establishment of offices and organizations.

Generally, our successes scored in 1977 were successes in implementing the fourth resolution of the party Central Committee as well as the direction and tasks adopted by the Supreme People's Council and the Council of Ministers in their joint session. It is true that these are on initial successes, but they are basic, all-round and firm successes. Following these successes, the position of the revolution in our country has been strengthened. New models have been established and have paved the way for the continuation of the struggle to implement various policies of the revolution in the years to come.

Respected excellencies and comrades: We have scored victories first of all because we have a correct cause. Our party has mapped out the plan directly advancing our revolution to socialism, bypassing the stage of capitalism. This is done by creatively applying Marxism-Leninism to the conditions in our country, by destroying the deep roots and vestiges of oppression and exploitation, injustice, ignorance and backwardness, and by genuinely making our people of various nationalities collective masters of their own country.

Such a cause conforms to the aspirations of the people of all strata. It has become a banner consolidating the strength of the masses and the basis upon which to consolidate and strengthen domestic and international solidarity. It is a source of strength allowing us to overcome all difficulties and obstacles and to score greater and more brilliant victories.

We have scored victories because our people possess high revolutionary determination and the strength of the sound solidarity of the national front. Since the liberation of the entire country, through the LPDR administration, under the leadership of the party, our people of all strata and nationalities throughout the country have been consolidating and enhancing their mastership, cherishing the spirit of patriotism and determinedly safeguarding and building the new regime. Learning from experience, our people have come to clearly understand and are fully convinced that all the plans and policies adopted by the party and state are in the interests of the people. They are always ready to translate the call of the party and state into action. The ardent revolutionary spirit of our people aroused by our party and state constitutes an invincible strength which has always won victories for us.

We have scored victories because we have cadres and party members who are loyal and faithful to the people and the revolution and who are constantly concerned with national interests. Even though they are not yet capable of responding to the call of the new doctrine in many fields, they are determined to actively carry out their work and studies and to learn from the past lessons. They dare to think, dare to act and dare to take responsibilities, and are determined to develop a close relationship with the people at the grassroots level. That is why many cadres and party members have brilliantly performed their duties and have become good models.

Our armed forces and people's peace keeping forces are totally loyal to the tasks of safeguarding and defending the country and socialism. They are heroically and undauntedly carrying out the duties of defending our national sovereignty and territory and of safeguarding the peaceful labor of our people.

We have scored victories because the people's socialist revolutionary struggle has received great support and assistance from the international community, for example, the great and effective support and assistance rendered by the fraternal socialist countries. Such international support and assistance is excellent, and allows us to overcome all difficulties in defending and building our country.

On this occasion, I propose that the SPC and the government wholeheartedly hail our laboring classes for holding aloft the leading role in creativeness; for daring to think, act and overcome all obstacles and difficulties regarding production tools, raw materials and spare parts; for being determined to reactivate and expand the activities of many agricultural and forestry settlements and factories; for producing abundant material goods to serve the life of the people of all nationalities; and for starting to build material and technical bases in the initial stage of socialism in our country.

Let us wholeheartedly hail our peasants and farmers of various nationalities for working diligently, heroically and majestically in overcoming obstacles, in overcoming drought, in energetically modifying production techniques, in carrying out collective agriculture, and in stepping up crop planting, and especially for enthusiastically uniting to increase production, to exchange labor and to set up cooperatives so as to rapidly promote and expand production, improve the people's life and change the face of the countryside.

Let us wholeheartedly hail the armed forces and people's peacekeeping forces for constantly maintaining high revolutionary vigilance and combat-readiness, gallantly defending and safeguarding the country and socialism, safeguarding the people and contributing to national construction.

Let us wholeheartedly hail the cadres and office employees in all branches of work and at all levels for cherishing the spirit of serving the people and the revolution, and constantly paying attention to studying and enriching their revolutionary characteristics and raising their cultural standards and their standards in their specialties so as to respond to the call of the new duties.

Let us wholeheartedly hail all progressive professors, intellectuals, scientific and technical cadres, Buddhist bonzes and novices and learned persons for contributing their wisdom to that of the people throughout the country in safeguarding and building the country and making noble contributions to strengthening the unity among the masses and the national front.

Let us hail the patriotic Lao people living in foreign countries for constantly turning toward their native country, contributing to national construction, and promoting friendship with people in other countries.

Let us hail all the foreigners living in our country for strictly abiding by and implementing the plans and policies of our party and the laws and rules of our state, contributing to the restoration of the economy, and strengthening unity with the Lao people.

On this occasion, on behalf of the party Central Committee, the government and the Lao people, I would like to express our profound gratitude and sincere thanks to the fraternal socialist countries for their great and effective support and assistance. I would especially like to express our profound gratitude and sincere thanks to the SRV for its friendly assistance and cooperation. I would like to express our sincere gratitude and thanks to all friendly countries far and near, to all international organizations, the United Nations, and all forces standing for peace, national independence, democracy and progress throughout the world for rendering material and moral assistance to the LPDR.

Respected excellencies and comrades: After reviewing the great achievements we have recorded, we can clearly see that there remain many weak points and shortcomings which must be corrected and rectified. Generally speaking, several branches of work and many cadres at various levels have not yet profoundly understood the line, plans and policies of our party and state. Their perception of the struggle between our side and the enemies and the struggle between socialism and capitalism is still vague. They fail to exercise vigilance toward the designs and tricks of the enemies and reactionaries. That is why they sometimes fall for the deceitful tricks of the enemies.

A number of individuals are influenced by psywar tactics employed by the enemies, by narrow-minded nationalism and other distractions. As a result, they may hesitate in fully implementing the line, plans and policies of the party and state. Regarding foreign affairs, they still fail to fully rely on the socialist countries; and they sometimes infringe on the people's right to mastership at home. They do not understand that these are the two characteristics of the nature of socialism in our country. They do not know what to rely on in distinguishing the old regime from the new one.

As for performing our routine functions, we still have some weak points, as follows:

In performing the peacekeeping and national defense tasks, we fail to profoundly understand the mass attitude toward national defense and people's peacekeeping. This can be seen from the fact that we have failed to closely coordinate mass mobilization with the building of an economic foundation with a view to resisting the enemies.

In performing economic tasks, we have failed to fully understand the use of agriculture and forestry as the economic foundation. Other branches of work at all levels have failed to actively move about and serve agriculture and forestry, and to use it as a foundation for expending their work.

We have failed to understand the role of trade in promoting production, improving the people's living conditions, and stabilizing the markets. We have failed to clearly understand the important role of the local economy and to fully utilize local raw materials, production means and labor to expand the local economy, increase the quantity of goods for domestic consumption and for export. We have failed to closely coordinate socialist transformation and socialist construction by overemphasizing the main role of construction.

In the cultural and educational field, we have not yet adequately understood the role of building of new socialist men. For example, our country has a small population and in order to make it prosperous and strong in the near future, we must consider each person's qualifications so that we can solve the imbalance between labor and natural resources.

To build an independent, sovereign economy, it is necessary to maintain a high spirit of self-sufficiency and self-reliance; to base ourselves on our people's strength and on our natural resources; to persistently and industriously engage in labor; and to practice thrift in order to build socialism. However, a number of our cadres and people still maintain a dependence mentality on higher levels and on outside aid. They have not persisted in laboring, studying and training themselves to be scientific and technical specialists to carry out management themselves. Such cadres and people are accustomed to the capitalist bureaucratic work system. They have no perseverance to study and manage effectively, according to the socialist style.

Such an attitude greatly obstructs implementation of the fourth resolution as well as our party and state's various current detailed plans and policies. We must be determined to promptly settle this problem and abandon that attitude.

We have a correct line, but we have failed to organize study of the line and to lay out detailed plans to effectively implement it. Many of our party and state lines and policies have not yet been put into practice in accordance with the work system and regulations of the state apparatus. Some service branches at some levels had no actual plans to implement the lines and policies. They have not yet firmly grasped the realities and specific characteristics of work in their localities. This was why changes have so often have made in implementing the lines and policies, thus limiting our achievements and causing difficulties in the people's daily life.

Regarding guidance, attention has not yet been paid to firmly grasping the central task. In addition, the central task has not yet been combined with the all-round tasks. In many areas, guidance in implementing the main tasks has been carried out ineffectively. No goals, expectations or working procedures for each period have been clearly set up. No attention has been paid to organizing review of achievements and learning at the end of each period; nor has attention been paid to extensively following good lessons.

These shortcomings in making arrangements to implement the line and policies are due to a low level of understanding and an inappropriate working system. They are also due to the low level of understanding and management capacity of the contingent of cadres in some branches at some levels. Therefore, promoting the level of cultural, scientific and technical understanding and increasing the management capacity of cadres and party members are urgent tasks necessary to insure effective implementation of party and state line and policies. We must seek positive ways to quickly settle this issue.

However, we must also clearly understand the fact that in implementing party and state line and policies, our good points must be regarded as basic guidelines. This is because good points demonstrate the survival and tremendous growth of our young LPDR.

At the same time, we must also pay attention to reducing and eliminating our shortcomings, which are great obstructions to our revolution. Each of us must dare to accept that we have shortcomings and must not blame objective circumstances. It is certain that we will be able to find ways to successfully settle the problem of shortcomings. If we are determined to train and temper ourselves to achieve the revolutionary stand and qualifications, and are determined to regard the interests of the party and the people as the struggle goals, we will certainly be able to eliminate all weak points.

Part II: Direction and Tasks for the Next 3 Years and the Main Tasks for 1978

Respected excellencies and comrades: The revolution in our country has attained great, basic successes in the past 2 years and is developing favorably. Meanwhile, new objective aspirations have urgently emerged on all fronts, at home and abroad, and the struggle to settle the question of who defeats whom between the two lines in our country--socialism and capitalism--is being waged in an all-round way and has reached a critical point. In this first stage of advancement, the party, the state and our people must make great, persistent efforts and display high determination for the success of socialism. In the immediate future, they must gradually advance socialist production relations in the national economy and, at the same time, expand the productive forces, making them a base of the socialist economy ensuring the efficiency of the popular democratic state under party leadership. They must put into practice the collective mastership of the laboring people in order to successfully carry out the three revolutions simultaneously, with a view to eliminating poverty and backwardness. They must build a new economy, new culture and new socialist men, build national defense among the socialist masses, and develop international socialist relationships and solidarity. All this must be promptly and clearly resolved.

All cadres of all sectors and at all levels must strive vigorously to advance the revolutionary cause, increase their vigilance, nurture new thought and work habits, strengthen unity and remain singleminded in carrying out party and state plans and policies, endeavor to work and study according to the requirements of the new tasks and behave in such a manner that they demonstrate that they are worthy of being entrusted with the great socialist revolutionary cause of the party and state.

In this spirit, under the united leadership of the party Central Committee and the government, the various localities and branches of work must bring into full play all the capabilities of the state and the people and triumphantly fulfill the three basic interrelated objectives of the political task in the immediate future. These are:

First Objective: To strengthen solidarity among the people of all nationalities at home; strengthen international relationships, solidarity and cooperation, such as with the fraternal socialist countries, build and strengthen in all respects the administration, popular organizations and the ranks of cadres; pay special attention to building the revolutionary forces at the grassroots level; and formulate regulations for state and economic management from the central down to the local levels.

Second Objective: To strengthen national defense and popular peace-keeping activities; maintain political stability and public order; and firmly defend the country and the people's socialist construction cause.

Third Objective: To promote and coordinate socialist transformation with socialist construction; gradually advance socialist production relations in the national economy; incessantly develop and increase production forces; build new technical and material bases; resume production, restore and develop the economy and culture; insure the normalcy of the economic and financial situation, as well as of the people's living conditions; and create conditions for vigorously developing the national economy from the year 1981 onward.

Based on the three fundamental political objectives in the next 3 years--and in the year 1978 in particular, we must strive persistently to translate the following main tasks into reality:

1. To promote the people's role of mastery in the peace-keeping and national defense activities with economic construction and cultural development; insure public order and stability throughout the country; and permanently defend the country and the new system.
2. To simultaneously carry out the three revolutions, restore forestry and agricultural production; lead the country to follow the path of socialist collectivization, rehabilitate the economy and enterprises of the capitalists; swiftly develop state trade networks; strengthen the state economy in the agricultural, forestry, industrial and communications sectors; and advance the state economy and the collective socialist economy.
3. To strive to restore and expand production, develop basic construction work, concentrating on developing agricultural and forestry production; concentrate efforts on meeting the need for food supplies in the country, develop handicraft and industries; develop industries to serve agriculture and forestry; bring active changes to the production situation, such as economic production in localities, in order to meet consumption requirements; promote exports in coordination with import requirements; and build basic conditions for and develop a new structure of the national economy.
4. To positively build communication lines and develop transport networks along strategic routes and deep into rural areas; improve and broaden an all-weather road running across Vietnam to the sea; create bases for consolidating and developing political, economic and national defense interrelationships; strengthen relations, solidarity and cooperation with fraternal socialist countries; and take the initiative in maintaining normal relations with all foreign countries.
5. To increase internal and external trade activities, organize, accept and effectively use aid materials, develop the collection and purchase of goods; formulate regulations for organizing and managing the distribution of goods; fully promote the state trade role in broadening the circulation of goods; expand organized markets to serve production and the people's living conditions, satisfy the need for a balance between currency and goods; and create conditions to insure the stability of the currency and prices.
6. To completely eliminate illiteracy and develop cultural training and primary education; positively nurture and build educational cadres and workers; expand the cultural, information and public health networks and improve the quality of their services in accordance with the requirements of the socialist revolution and of the laboring people, positively contribute to building new socialist men; bring into full play the people's right to collective mastery; and raise the level of the cultural life of the masses.
7. To consolidate the state apparatus and reorganize the state structure, assign some cadres and office employees to the various production branches and enterprises that need them; increase the number of cadres in some important organizations and in important areas; strive to provide economic management training for cadres of various branches and at various levels; formulate economic management procedures in a planned manner; insure the united leadership role of the Central Committee; fully strengthen the local economy, positively promote economic activities at the grassroots level; build the revolutionary forces at the grassroots level; and guide labor movements, as well as the movement to increase production and practice thrift.
8. To strive to consolidate and build trade unions in industrial plants or factories and in agricultural, forestry and construction settlements; consolidate and build youth and women's unions, such as those at the grassroots level, increase front work; and promote the role of the various mass organizations in uniting the people of all nationalities, in educating and organizing the people and in mobilizing them to carry out various tasks.

9. To strengthen guidance for diplomatic tasks, insure the implementation of party and state lines in all diplomatic activities, strengthen solidarity with the socialist countries; strengthen the special solidarity with Vietnam in all respects; develop friendly relations with the various nationalist, nonaligned and other countries; resolutely counter the various imperialist and reactionary forces, and positively contribute to the cause of peace, national independence, democracy and socialism in Southeast Asia and the rest of the world.

10. To improve the quality of cadres, plan their training and raise their capabilities to meet both immediate and long-term requirements. First of all, we must assign and train key cadres for all branches and services at different echelons.

Of these 10 tasks, the transformation and development of agriculture and forestry must be considered as the central task. Other branches of work must revolve around and serve this central task. As a result, the effective functioning of each sector in the countryside at the grassroots level will be promoted.

The struggle between the two lines--socialism and capitalism--in our country is changing in all respects. Regarding guiding and managing the affairs of state, the basic political requirements of the current period must govern all spheres of activities and the following main directions must be firmly grasped:

To vigorously mobilize and promote the revolutionary movement of the masses, closely coordinate the economy, culture, national defense and peacekeeping tasks; strive to build the revolutionary forces in all fields; insure that the socialist revolution vigorously and clearly advances in all fields; constantly maintain revolutionary vigilance; remain firm and united in political affairs; maintain the spirit of revolutionary struggle to safeguard the socialist line as well as the independent and sovereign line of our party and state; resolutely divert movements in all fields in rural and grassroots areas; consolidate the worker-peasant alliance; further promote and expand our country's strong position; build a new economic structure; firmly grasp the policy of transforming and building the agriculture and forestry sector as the central task; coordinate and promote socialist transformation and socialist construction in all respects; restore production; revise work habits; strongly promote production; firmly grasp the essentials of trade; be aware of class, mass and production attitudes; enhance the spirit of creativity and daring to think and to act; and mobilize labor movements to boost production and practice thrift.

The following are certain detailed plans and policies of work:

1. National defense and peacekeeping. Our country is an outpost of socialism in Southeast Asia. The situation in the world and in this region is basically favorable, although unresolved to a certain extent. The enemies have not yet abandoned their dark designs to sabotage, destroy and obstruct the advancement of our country toward socialism. That is why the building and strengthening of national defense and the people's peacekeeping forces constitute fundamental themes of the socialist revolutionary struggle in our country. These tasks are the most important political duties of all our people and soldiers. In the next several years it will be necessary to persistently build an all-round, firm and strong foundation for national defense and peacekeeping. To fulfill such a mission, we must understand the following issues:

On the basis of mass mobilization, we must carry out the building of political forces, restore the economy, strive to set up and build national defense awareness among the socialist masses, promote movements in all fields, promptly smash the enemies' schemes which run counter to and seek to destroy our revolution, maintain security and public peace and order, insure national defense and peace, and securely safeguard and defend the country.

We must also continue to promote the task of building, consolidating and strengthening the armed forces and people's peacekeeping forces; guarantee combat readiness; pay attention to mobilizing the masses; build the revolutionary forces at the grassroots level; promote efforts to increase production for self-sufficiency and self-reliance; and participate extensively in building the national economy.

We must also expeditiously study and implement certain necessary policies for building the armed forces and people's peacekeeping forces in the new situation and study and implement detailed policies toward cadres and combatants in the army, peacekeeping forces, families of cadres, fallen combatants and war invalids, so as to thoroughly mobilize the cadres, combatants and people to more energetically perform their national defense and peacekeeping duties in the new period. The sectors concerned must conduct additional study on the various policies and systems aimed at guaranteeing the people's mastership and safeguarding the lives and property of the people and the property of the state.

2. In front affairs and mass mobilization the people maintain the right of collective mastership under the party leadership. They are the force which guarantees the success of all revolutionary tasks.

To completely implement their right of mastership, our people must first of all be made aware of their responsibilities toward genuine patriotism and socialism and must raise their levels of understanding in all fields. At the same time, they must cooperate with local administrations and their organizations under party leadership.

Our laboring people of various nationalities, who were tested and underwent great trials in the protracted, hard struggle, have continued to maintain the determination to persistently build and safeguard the new regime in the interest of socialism. However, the economic and social development of our country is moving slowly and the revolutionary movements are developing irregularly. We must therefore attach special importance to political and ideological training and to mass organizations. To guarantee the necessary level of awareness among the people and to guarantee the promotion and expansion of revolutionary capabilities, as well as of the laboring people's right to collective mastership, the front affairs and mass mobilization task must be fulfilled in all respects.

It is important to mobilize the people to organize the administrations, trade unions, local guerrillas, defense units, youth unions, women's unions, and various collective production units of the people. Large-scale movements, such as those to boost production and build irrigation projects and communications and transports lines, to mobilize the masses, to study culture, to maintain peace and public order, to build local guerrillas, and to train and organize the people, must be carried out. In carrying out each movement or task, it is also necessary to have appropriate slogans derived from the requirements and aspirations of the people for each goal. The various tasks aimed at bringing genuine benefits to the people must be combined with the tasks of organizing training, consolidating and building mass organizations and building cadres.

To correctly evaluate the success of each movement or each task, it is necessary to examine it in all respects, that is, to examine the successes achieved in the fields of economy, people's livelihood, culture and public order. It is also necessary to check whether firm successes have been achieved in organizing cadres, revolutionary forces of the people and administrations at the grassroots level.

The solidarity among the people of various nationalities is a precious tradition of the revolution in our country. The solidarity of the various nationalities in the national united front on the basis of worker-peasant alliance under the party leadership is one of the several decisive factors which led to the successes of our revolution.

In this stage of socialist revolution, the solidarity of all the people and among various nationalities are of great significance for promoting and expanding the overall strength of the entire nation in order to thwart various divisive sabotage schemes of the enemy and the reactionaries and to defend and build the country.

At present, the core of the solidarity in the national united front is the worker-peasant alliance, which covers more than 90 percent of the population. The worker-peasant alliance has been consolidated in the political, economic, cultural and social fields. In carrying out socialist revolution, we will stamp out the system of oppression and exploitation. More important still, we will stamp out all the root causes of oppression and exploitation as well as various sources of inequality, dissension and disunity between classes of people and between people of various nationalities.

The enemy and the reactionaries, always the culprits creating disunity and dissension among the people of various nationalities, have been defeated. It is therefore clear that the current position of our solidarity has been unprecedentedly strengthened and expanded. Our immediate task is to consolidate and strengthen the worker-peasant alliance while effectively transforming and building the economy, expanding culture in all areas, stepping up political and ideological studies, and carrying out revolutionary movements among the laboring people. It is also necessary to assist people of all classes and intellectuals in scientific and technical work as well as to help monks, novices, learned persons, and people of all nationalities clearly understand and accept the line and policies of the party and state, so that they may positively contribute to the common task of smashing all enemy divisive schemes and psychological tricks.

The local party committee and administration must pay even more attention to developing the cultural, educational and public health tasks; expanding and developing trade, communications and transportation, and promoting the task of boosting production, particularly in areas where our ethnic minorities live. They must pay special attention to training and building ethnic minority cadres and building schools for ethnic minority children and youths. They must implement a policy of encouraging ethnic minority children to attend schools offering courses in the economic, cultural and vocational fields. They must set up an economic and cultural center in each area to provide ethnic minorities with a base for developing their own economy and culture and conducting economic and cultural exchanges with other nationalities. They must pay attention to consolidating the political foundation in ethnic minority areas infiltrated by the reactionaries. Economic and cultural cadres, combatants and state employees working in ethnic minority areas must strictly implement the nationalities policy of the party and state.

3. Pay attention to consolidating the people's administration at all levels. The administration is the means insuring the implementation of the people's right to mastership under the leadership of the party. The goal of consolidating the administration in the years to come is to increase the capability of the administration regarding the management of the economy and society, to improve the quality of important sections in the administration with every passing day, and to strictly insure the implementation of the policies of the party and state, as well as the mastership of the laboring people of all nationalities.

Efforts must be made to consolidate and improve administrations from the central down to the grassroots level. Organizations at the central level must be simple, except for those which directly run state enterprises and which must be highly technical so that they efficiently carry out their duties, train cadres and employees and deal with foreign countries. A number of cadres and state employees must be selected for further studies to improve their specialized knowledge in order to improve the production efficiency of state enterprises as well as the educational and public health sectors in various localities.

Efforts must be made to improve and build the administrations at the provincial and district levels so that they will be able to effectively carry out peacekeeping and national defense duties and know how to lead and manage production, goods distribution and circulation, education, communications and disease control in their localities. The grassroots level administration, which is composed of the canton administrative committee and representatives of the village administration, plays the most important role, because it is very close to the masses. It directly implements the plans and policies of the party and state and constantly fights against the reactionary forces. If the grassroots level administration is weak and unstable and constantly makes mistakes, the people's faith in the party and state will decline.

Therefore, in the years to come, we must strive to consolidate and build the grassroots level administration by encouraging the masses to carry out revolutionary tasks and by building and training leading cadres. The provincial administration must immediately set up a cadre training school to train and build village and canton administrative cadres. The Central Committee must organize management and vocational training courses for the cadres of the district and provincial level administrations.

Our party and state's foreign policy is to unite closely with fraternal socialist countries; promote our special relations with the Vietnamese and Cambodian peoples; strengthen solidarity with the nonaligned countries; maintain and broaden normal relations and economic cooperation with other countries which respect the independence and sovereignty of Laos; increase our activities in international organizations, including the United Nations Organization; resolutely struggle against the schemes of interference and aggression by imperialism and old and new colonialism against racism and apartheid; actively support the movement for national independence, democracy and socialism in the world; and make positive contributions to defend peace in this region and elsewhere.

Our activities over the recent past have proved that our party and state's foreign line and policies are correct. They have helped to raise the position of our country in the international arena and to strengthen our position both at home and abroad.

Lenin pointed out: For backward countries to build socialism, they must receive assistance in all fields from fraternal countries which have already successfully carried out a revolution. In the present international situation, the revolution of our country has received great assistance not only from the world socialist system, but also from other countries. We must, therefore, firmly grasp the aforementioned correct independent and sovereign socialist foreign policy and must strive to attract further international support and assistance. First and foremost, we must basically rely on the contributions of various fraternal socialist countries to strengthening our solidarity and right to mastership in the cause of our defense and building of our country.

Beloved excellencies and comrades: We have entered the year 1978 with a spirit of vigorous endeavor and with basically favorable conditions. The correct line of our party and state has been more deeply appreciated by more cadres and people with every passing day. As a result, many new favorable factors have taken root in the various revolutionary movements of the masses while the revolutionary forces in all fields have continued to develop vigorously.

To promote and expand the favorable conditions and eliminate or settle problems on difficult points, we must arrange economic and cultural activities in 1978 to implement the 1978-80 3-year plan. In this spirit, in implementing the national plan for 1978, it is necessary to concentrate on carrying out the following tasks:

1. Expand agricultural production in the dry season; score success in early rice cultivation; step up exploitation of forestry resources; restore and develop handicraft work; and increase basic industrial production.

2. Continue to transform private trade enterprises; develop the state trade and collective trade; broaden the circulation of goods between the state and peasants and between towns and the countryside; step up the management of foreign aid; expedite the import process; consolidate the organizing system on receiving, transporting and distributing goods; endeavor to systematically normalize the people's living conditions; and improve the marketing and monetary situation.

3. Speed up the task of building bases; strive to build irrigation projects; improve and widen a number of strategic roads; set up a number of industrial businesses; expand the material basis for education, culture, public health; pay attention to expanding the local economies; and examine and inventory various businesses in preparation for next year's construction.

4. Promote supplementary education in order to eradicate illiteracy; expand cultural training; develop compulsory education; provide training for cadres and workers; and vigorously develop the cultural and public health networks along the socialist line.

5. Firmly combine transformation with construction; broaden socialist production relations in the national economy; attach special importance to the agriculture, forestry and trade sectors; concentrate on building the apparatus to manage the economy and to train cadres; and implement regulations on economic guidance with an appropriate initial plan.

On the basis of firmly grasping the direction of the 3-year plan we must persistently strive to implement the various basic goals of the year 1978 while making preparations for next year in an appropriate, realistic way.

I. Agriculture: The objectives of the 3-year plan are to be self-sufficient in food and to increase the sources of the food, supply the processing industry with more raw materials, forestry and agricultural products and export goods. It is necessary to urgently inspect and reorganize production areas while making arrangements to systematically restructure labor in order to make forestry and livestock breeding a basic branch of production.

In carrying out cultivation, we must pay attention to three points--to centralizing agriculture, increasing the number of crops, and expanding farming areas, primarily through new irrigation systems. In utilizing irrigation systems to develop agricultural production, it is first necessary to concentrate on establishing various state farms in the areas where more rice can be planted and closely combining state efforts with the efforts of the people. Along with irrigation work, it is necessary to mobilize the people to restore fallow land and reclaim wasteland in order to expand cultivated areas.

At the same time, it is necessary to guide and mobilize peasants to carry out centralized agriculture, for example, to select seeds and use them, to plow deeper, to clear away weeds, to spread fertilizer, and to build better dikes. It is necessary for peasants to become gradually accustomed to centralized agriculture, a process which must become widespread.

Along with expanding rice output, it is necessary to plant other types of starchy crops, particularly maize, cassava and potatoes, in order to solve the food shortage problem and to serve livestock breeding. It is necessary to concentrate labor and tools to set up some industrial crop production centers, in particular the centers where export products can be produced. Industrial crops for export include coffee, cardamon, ground nuts, soya beans and tobacco.

Attempts must be made to set up a number of large agricultural settlements. Efforts must also be made to set up agricultural experimental centers in both central and rural areas at an early date. It is also necessary to set up paddy seed and livestock breeding centers to meet the requirements of state production and of the people's collective production.

In breeding animals, it is necessary to promote the breeding of cattle both in a family and collective system and to join with the state livestock breeding settlements in breeding beef and milch cows. Special attention must be paid to caring for breeding cattle used in farming. Regarding the breeding of pigs, in the areas where the harvest was not satisfactory due to the drought and where there is thus a shortage of animal feed, it is necessary to persuade the people to save sows. People in each locality must try to conserve and increase the number of pigs. Each family must try to raise an average of two pigs.

In addition to raising these types of animals, it is necessary to encourage the people to dig fishponds and breed fish. Government offices, organizations, military units or regiments must also pay attention to breeding fish. Fish can also be raised in reservoirs.

Plans must be laid to vaccinate domestic animals, particularly cattle and pigs. It is necessary to study and set up animal feed centers in areas near big towns. First of all, an animal feed center must be set up in Vientiane. It is necessary to strengthen the agricultural organizations and irrigation systems at provincial and district levels so that they can closely guide the canton level. Each province and district must lay out certain directions and plans to promote and expand the agricultural strength of a locality.

The Ministry of Agriculture, Forestry and Irrigation must act as a staff organization in assisting the party Central Committee and the government in guiding and carrying out agricultural, forestry, and irrigation work; in organizing production; and in leading the countryside to march toward socialism. It must supervise the setting up of cooperatives in all fields; lay out a common plan; and study the management of production and the construction of agricultural bases, managing scientific and technical methods in the agricultural field, training and building cadres and workers, and coordinating and joining with various branches and various levels in organizing and guiding the people to conduct labor emulation campaigns to boost production in accordance with agricultural, forestry and irrigation plans.

In guiding agricultural, forestry and irrigation work, it is necessary to concentrate on fixed areas in each locality. Effective guidance must be given on major points. Provinces must guide some districts while the central command guides some provinces to set up a number of new economic zones, to develop agricultural settlements and interrelated agricultural cooperatives, to closely combine the use of irrigation systems with the use of machines, to balance cultivation and livestock breeding, and to promptly learn lessons in all fields in order to include agriculture in large-scale socialist production.

Regarding the movement to set up general cooperatives, the central and provincial administration must build model cooperatives and pay attention to promptly summing up experience in all respects in order to create a firm foundation and lead the various localities to persistently build cooperatives. The various branches at the central level must vigorously join with and help various provinces in concentrating their strength on developing agriculture. This is the most important duty of the various provinces and the industrial, trade, communications, transport, financial, banking, cultural, educational and public health sectors.

It is necessary to mobilize the mass revolutionary movements to fulfill the various objectives of the all-round development of agricultural production, the center of which is the production of food; to implement centralized agriculture, to develop mutual assistance and cooperation; to build agricultural cooperatives; and to expand trade exchanges between the state and farmers. In coordination with the national defense and peacekeeping task, it is necessary to build a strong administration at the grassroots level by grasping the central task--to reorganize production along collective lines.

A. Direction for the Production of Food Supplies in 1978

With the determination to increase production and win great success in the early growing season, we must strive to increase our rice output and, at the same time, pay attention to increasing starchy crops such as corn, cassava and sweet potato. We must strive to build irrigation projects to raise efficiency and increase the production of food supplies, positively reclaim wasteland and clear it for rice and other starchy crops. The objective of our persistent efforts in 1978 is to produce an estimated 1 million tons of unhusked rice and starchy crops--an increase of about 150,000 tons as compared to previous years.

Many localities recently expanded the area of the dry season crop. We must persuade the people to constantly cultivate dry season crops by planting two rice crops a year or by planting rice in the first season and starchy crops in the second. This is an important direction that must be fulfilled. Therefore, in building irrigation projects, it is necessary to pay attention to draining water into ricefields during dry season cultivation, conduct research on quick-maturing rice varieties and encourage the people to apply new technology in planting quick-maturing rice. In the localities where quick-maturing paddy is planted, it is necessary to send technical cadres to advise the people on draining water into ricefields, applying fertilizer and controlling insects. When the harvest comes, it is necessary to examine the localities where farmers will reap a good harvest and encourage them to select and preserve good rice strains and sell paddy of good strains to the state for use in the 1979 dry season.

We have many favorable conditions in early 1978 rice farming. Leading cadres at various levels and the people are highly determined and have gained some good experience in organizing production and applying methods for centralized agriculture in the past year. Some localities have benefitted from irrigation projects and are promoting their full utilization. Various sectors at all levels must provide close guidance and plan to organize and send cadres to cantons to help, guide and mobilize the people to prepare for early crop cultivation until the harvest season is over in order to insure the success during the entire farming season.

In localities where the harvest was not good in 1977, it is necessary to encourage the people to support each other with food supplies in order to insure success in this year's farming season. It is necessary to promptly examine and distribute paddy seeds to needy localities, repair existing irrigation canals and other irrigation projects and build new projects to serve this year's cultivation, collect and repair state water pumps and keep fuel ready so that it can be sent to any drought-stricken areas at any time, maintain wells and other sources of water and reserve tractors for us in some important production areas. The trade branch must organize and distribute farm implements and promptly provide buffalo for needy localities.

Based on guidance from the Ministry of Agriculture, Forestry and Irrigation, the local administration at various levels must help villagers organize meetings of solidarity, labor-exchange and cooperatives units so that they can exchange views and sum up experience in making a living in a collective manner, the direction and objectives of

the production of rice and other starchy food, farming seasons and planting processes. From the results of these discussions, the administration at the canton level may formulate technical procedures and plans for guiding rice cultivation.

In 1978 we must strive to produce 983,000 tons of food including 890,000 tons of unhusked rice and about 100,000 tons of starchy crops. We must produce 45,880 tons of corn and about 105,000 tons of sweet potatoes and cassava. The quantity of corn, sweet potatoes and cassava produced should be higher than that in 1977 by an average 10 percent.

The target for land clearing and reclamation is 15,000 hectares, which will increase cultivated acreage to 423,830 hectares in the plains, about 231,000 hectares of terraced rice--which will be a decrease of 10,000 hectares, and about 32,000 hectares for corn cultivation. The target for rice production capacity should be about 1,360 kg per hectare.

B. Planting of Vegetables and Industrial Crops

The people must be encouraged to expand planting of vegetables in both cold and dry seasons. Attention should be paid to various towns--big or small, areas where army units are stationed and construction settlement areas. We should expand the planting of soybeans, peanuts, and other nuts, sugarcane, cotton, tobacco and coffee in Champassak and Saravane provinces.

C. Irrigation

The Ministry of Agriculture, Forestry and Irrigation must discuss with various provinces the detailed drafting of construction plans in 1978, including projects that must be completed to serve this year's farming season and other projects, the blueprints of which will be drawn in preparation for their construction in 1979. In areas where massive labor activities are to be mobilized for irrigation work, well-disciplined platoons, companies and battalions must be organized in each canton and district. Responsibilities should be clearly defined for such units. Commanding committees should be given some technical training and taught how to control the work of their units. Irrigation construction units should have an awards system. In the areas where the harvest was not good last year, it is necessary to provide rice for the people engaged in irrigation construction.

The various central and provincial offices and organizations must organize their irrigation construction units by assigning cadres and office employees to participate in construction work on 15-day shift rotations. Based on the volume of work, the provincial administration must form state irrigation construction units at the provincial level. These units will be equipped as needed. The Ministry of Agriculture, Forestry and Irrigation must promptly assign newly trained basic irrigation cadres to various provinces and district.

D. To expand and set up experimental agricultural cooperatives and build agricultural communes in those areas where agriculture is concentrated. The economic policy of our party and state is to use agriculture and forestry as the basis for developing industry, reactivating production, reclassifying work, building a new economic structure and creating a new balance in the national economy. That is why we must first concentrate on effecting socialist transformation in agriculture so as to pave the way for the agricultural production forces to develop; reclassifying agricultural work in society; developing agriculture in all aspects including crop cultivation, livestock raising and forestry; developing communications and transport work; expanding the production and distribution of goods in the countryside with a view to achieving peasants' collective mastery in rural production areas, building a firm basis for achieving the political collective mastery of peasants, consolidating the worker-peasant alliance and unity

among all the nationalities, and introducing profound revolutionary changes to the countryside in the political, economic, cultural, national defense and peace-keeping sectors.

Conditions are ripe in the countryside for rapidly diverting individual production to collective production. The most difficult things in this process are raising the cultural, organizational and management standards of peasants, especially those of cadres and party members; forming a production management system and the new management of cooperatives; improving material and technical bases and introducing science and technology into production in order to build and develop production forces. Thus, while effecting socialist transformation of agriculture we must grasp the line of simultaneously carrying out the three revolutions.

The development of collective agriculture in our country in recent years clearly proves that such development must be closely linked to the building of irrigation facilities and centralized agriculture. This process also demands that we raise the cultural and management levels of peasants.

Economic, social and environmental conditions vary in each locality. There is the old liberated zone, the new liberated zone, the zone where commodity production has not yet developed, mountainous regions and flat ricefields. Certain localities are inhabited by many different ethnic minorities. Moreover, agriculture and forestry are also promoted side by side in some places. Some areas with good growing soil have not yet been exploited. As a result of such differences, the methods and stages to be employed in transforming our agriculture into a collective system likewise vary from one area to another.

In 1978 efforts must be concentrated on setting up a survey and research program to assist the party Central Committee and government in reviewing and drawing lessons from the movement to build cooperatives over the past several years. On this basis we must define the direction, tasks, methods and stages to collectivize our agriculture in accordance with the conditions in each locality. In the immediate future, administrations at each level must consolidate and modify the methods followed by the people, for example the unity units for boosting production, the labor exchange units and experimental cooperatives in each locality, with the objectives of boosting production, gradually normalizing and improving the people's life, consolidating unity in the countryside and continuing to promote patriotism and a love for socialism among our people.

The production line of agricultural cooperatives is to develop agro-enterprises as well as enterprises for forestry and livestock raising. Provincial and district administrations must review the situation of experimental cooperatives, and step up guidance while preparing for bumper 1978 rice crops. They must select a number of cooperatives as experimental sites and draw lessons from their operations. The Ministry of Agriculture, Forestry and Irrigation and the National Defense Ministry must prepare to build several agricultural settlements in Vientiane to plant rice and starchy crops. They must set up cooperatives and livestock breeding stations in areas with irrigation projects so as to grow specific crops as agricultural raw materials for processing industries.

II. Industry and Handicrafts

Developing handicraft work in towns and rural areas is very important at present, as it helps resolve unemployment problems and increase the availability of many types of consumer, production and export goods.

The trade branch must be assigned to set up goods processing networks, introduce and utilize domestic raw materials, handle professional training and organize the purchase and production of handicrafts. The industrial and banking branch has the duty of closely cooperating with the trade branch in tasks essential to promoting handicraft production.

In the many years to come, industry must advance in the direction of serving and boosting agricultural and forestry production. Thus, a new industrial, agricultural and forestry structure as well as a new balance between agriculture, industry and forestry will emerge in each province and district.

Agricultural production, industry and forestry must be closely interrelated and must support each other. This will promote and expand the economic capacity of the country and people to build an independent, sovereign, socialist economy.

In 1978 the Ministry of Industry and Commerce must increase its guidance and strengthen its management in the various factories and plants under its control, while at the same time assisting the various provinces in guiding and managing local industries. The ministry should experiment with formulating management procedures and organizing trade unions in various factories, and especially in Vientiane it should conduct courses on industrial management and the management of factories for cadres responsible for local industries and local factories, formulate some regulations and policies on the management of factories and industrial management covering state and private enterprises, do research on policies and plans and prepare to conduct experiments on socialist transformation in some private enterprises through joint state-private partnership.

1. [As heard] On Exploitation and Processing of Wood

In the next 3 years and in 1978 it is necessary to put the forestry reservation tasks in order and make a mass movement of it so that the people will be able to control forest fires, will not plant their crops in watershed areas or on hillsides and will take good care of forests in areas specified by the state.

The state and people should cooperate in planting trees wherever we deem necessary. We should positively promote domestic capabilities and cooperate with foreign countries to exploit forests and organize a survey and exploitation of woods in Vientiane--for example, in the Nam Ngeum area and along Highway 9. This will help expand exploitation of forests.

The various provinces should be advised to organize the exploitation of wood in their localities, promote and maintain forest products, provide equipment for the forestry branch and trucks for the transport of wood, broaden roads to facilitate the transport of wood and build ports for timber export.

While concentrating labor in state forest communes, special attention must be paid to advising farmers to organize cooperatives for exploiting forests and forest products for sale to the state. Most sawmills must be transferred to the forest management branch, and plans must be made for repairing vehicles and providing equipment for some sawmills so that they can be moved to forest exploitation sites. It is necessary to strengthen the forestry department which is under the Ministry of Agriculture, Forestry and Irrigation to insure that it is fully responsible for reserving and maintaining forests, reforestation, exploitation and processing of wood, wood distribution management and collection and purchase of forest products.

In 1978 it is expected that we can cut about 200,000 cubic meters of timber and produce about 73,000 cubic meters of planks. The Ministry of Industry and Commerce must take measures to strengthen the management of plywood and other wood processing factories to increase their production.

2. Electricity

We plan to complete the second phase of construction of the Nam Ngum hydroelectric power station, raise electric capacity from 30,000 to 110,000 kw, repair and install new electric wires and some transformer stations in order to safely supply electric power to towns and to supply additional electric power to agricultural and industrial enterprises. The people will have electric power in those areas where electric wires run across their houses. Electricity output in 1978 may reach 340 million kwh. Electricity output for domestic use in 1978 is expected to increase 16 percent over 1977.

3. Machinery Branch

It is necessary to produce farm tools, increase equipment supplies and effect technical transformation in the Lao Industrial Factory and to effectively operate the farm tool factories in Savannakhet and Pakse. The Ministry of Industry and Commerce should establish regulations on the production and purchase of goods from such factories for distribution to various provinces. The provincial administration must promote and expand iron works to ensure availability of such tools as plows, hoes, knives and sickles. We expect to produce about 570,000 farm tools in 1978. The Ministry of Industry and Commerce will manage the production, purchase and distribution of about 200,000 farm tools.

Regarding maintenance work, in the immediate future it is necessary to resolve problems in importing certain spare parts, and to make full use of existing maintenance facilities to serve agriculture, forestry, communications and transport. We must quickly install additional equipment in the various existing factories such as the higher repair factory in Vientiane, the Lao Industrial Factory, repair factories in Houa Phan and Oudomsai Provinces, and the machinery factories in Savannakhet and Pakse.

We must have plans for repairing transport vehicles, construction equipment and heavy trucks serving irrigation and agricultural work in localities. We must first use machines and tools available in warehouses, and import some essential machinery. Meanwhile, we must study the structure of some factories which will be built with foreign aid, pay special attention to meeting requirements for specialized repair work in the south, for intermediate-level repair work in some provinces and for basic repair and maintenance work in the various central branches of work and various provinces having some vehicles and machines.

4. Tin Mines

In 1978 we must resolve some problems in the availability of essential spare parts, and secure enough material and fuel to increase production of refined tin to about 900 tons. We must ensure product quality, continue to survey tin mines and provide additional or new equipment for tin mines so that they can restore and increase production.

5. Construction Equipment

To develop basic construction work we must develop the exploitation of raw materials and increase domestic construction materials such as bricks, roofing material, stone, sand and wood. We must hasten to build foundations for small and medium sized cement plants, restore production at the brick factory in Vientiane to 5 million bricks per year and try to purchase some raw materials needed by iron sheet factories. The central branches must manage the use of corrugated iron sheets and distribute them to localities for roofing warehouses or factories.

6. Industrial Production of Goods for Popular Consumption

Regarding textile production, we must try to supply thread to textile factories and families weaving at home so as to increase textile production in 1978 to about 3 million meters. The major textile products will be skirts, sarongs, loincloths and other clothing for working people. In particular, state textile factories must produce at least 1 million meters and must develop plans to use weaving machines kept in warehouses to expand the existing textile factories or build new ones.

Regarding salt production, the Ministry of Industry and Commerce must develop plans to help provincial administrations increase salt production and organize and manage prompt, effective distribution of salt to the people. Salt production must be about 15,000 tons, 10,000 tons of which will be produced in Ban Bo and Ban Keun. Small salt factories should be built in Phon Sa-at to produce 3,000-4,000 tons. Oudomsai, Phong Saly, and Khammouane Provinces must produce 2,000 tons.

Regarding tobacco production, we must step up production management and distribution of tobacco, introduce new production methods, modify curing and smoking techniques, and purchase domestic leaves as raw materials for the tobacco factory.

In connection with production of other essential goods, we must step up production of salt, bottled beverages, sweetened food, polished rice and matches; try to import some raw materials to guarantee production of certain essential commodities like detergents, needles, scissors, nails and electric cords; and study the construction of sugar and paper mills.

7. Handicrafts

Trade must guide and assist handicrafts so that it will be able to help in processing food, producing several goods from local raw materials like timber, rattan and bamboo, and producing goods from such waste material as old rubber tires, glass, iron and paper.

The trade sector must set up goods processing centers, organize work teams to look for raw materials, organize production, and collect and purchase products in order to promote handicraft work, create jobs, and increase stocks for domestic consumption and for export.

III. Building Social Institutions

In the period 1978-1980 we must try to organize work in building social institutions so as to meet immediate requirements and to prepare for post-1981 plans.

The present emphasis in building social institutions is to develop irrigation, transportation and communications, to form farming and forestry settlements and other technical bases for agriculture and forestry, to produce raw materials for industry and to build several new factories. Special attention must be given to promoting the machine repair sector, the sector processing farm and forest products, and the sector producing construction materials. We must build more schools, strengthen public health and cultural bases and build houses as well as provincial and district administrative offices.

Regarding projects built by foreign countries, the host ministry must coordinate plans with the Ministry of Industry and Commerce and the National Planning Committee with regard to consulting with those foreign countries, conducting feasibility studies, forming plans and acquiring equipment and materials to expedite construction.

With regard to our current efforts to build social institutions, we must concentrate on building the economy and culture of the provinces, for example on building irrigation facilities, connecting roads, hospitals, schools and child care centers.

State investments and public labor must be mobilized to rapidly build as many of these things as possible. Affected ministries must send personnel to help provincial authorities draft detailed plans and execute them. All provincial administrations must motivate the local population to strive for self-reliance, and must provide clear guidance to each branch of work so as to achieve optimum results in building material and political institutions and in developing and expanding the revolutionary mass movement.

IV. Postal Services and Communications

To serve the economic work branches and the people as well, the Ministry of Communications, Public Works and Transportation must step up organization and management so as to achieve better use of land and water transport. Private transport services must be organized and mobilized to serve state transport.

Regarding the state transportation forces, more transport vehicles must be put into service each year. At the same time, capabilities in maintenance and repair of transport vehicles must be increased. A transportation forces division must be set up under the Ministry of Communications, Public Works and Transportation with a view to serving long-distance transport services, transportation for import and export goods, and distribution and circulation of goods between the central and provincial levels.

The Ministry of Industry and Commerce and the provincial industry and commerce sectors must organize transportation forces to adequately collect and distribute goods and to provide short-distance transportation. Trade sections in each province and district must organize the use of local and remodified transport forces to expand distribution in the district and in cantons.

The communications sector must develop passenger transport services on national highways and within the province, for the convenience of cadres and the public. The postal sector must coordinate with the communications sector to properly deliver letters, books and newspapers.

The Ministry of Communications, Public Works and Transportation, the Ministry of Industry and Commerce and the National Planning Committee must make plans to build a network of warehouses at various collection points, and improve the warehouses receiving transit goods as well as the distribution of goods to various provinces. They must closely supervise warehouse storage, receiving and distribution of equipment and goods.

Communications

We must have specific plans to insure communications along important routes. We must try to improve and expand Route 9 and continue improving Routes 7 and 8 as well as certain important roads in some provinces. It is very important to help and guide various provinces in expanding regional roads and repairing rural pathways, to study how to improve and expand the oil pipeline, and to build oil depots.

2. Organizing Transportation

Management and organization of private land and water transport must be efficiently intensified and improved. We must encourage the formation of transportation cooperatives using traditional transport means or modified vehicles, in each province and district. Management of the state transportation forces must be strengthened. The Ministry of Communications, Public Works and Transportation must apply unified management for state transportation units, joint state-private transportation organizations, collective and private transportation organizations so as to guarantee long-distance services.

Water and land transport should be effectively coordinated in each region. Effective methods must be employed to acquire more transport vehicles of all kinds; increase their services and improve efficiency; save fuel; increase loads to reduce costs; increase the number of passenger buses; unify organization and management of private and private-state passenger buses to serve passengers in urban areas and within a province or between adjacent provinces; increase coordination among the Ministries of communications, public works and transportation, national defense, industry and commerce and the National Planning Committee in arranging monthly transport schedules; firmly grasp the transportation situation and goods distribution; and acquire equipment for containing and protecting goods on vehicles, in warehouses and at terminals.

3. Postal Services

We must try to manage and utilize postal services for smooth and economical service, develop and expand the postal and telephone network with paramount concern for serving the communications requirements of the leadership of the party central committee and the provincial committees and for serving cultural development and the people's lives.

Regarding the postal service, more efforts must be made to link communications lines from the central down to the provincial and district levels and from the district to the canton levels. Close coordination must be worked out among all services in order to make efficient use of public transportation--aircraft and automobiles--and to acquire the number of vehicles necessary for the postal services to quickly distribute documents, news bulletins, newspapers and books to the district and canton levels. We must consolidate and expand the automatic telephone network in Vientiane to the extent necessary and expand the internal telephone network to serve the communications requirements of provincial-level organizations and offices in various provinces and of district-level organizations in some major provincial towns.

V. Internal and External Trade

Internal trade, export and import businesses, and foreign aid utilization must be closely coordinated in the years to come. The line and policies of the party Central Committee and government must be profoundly understood, and their important and urgent roles must be promoted in transforming and building the economy, expanding production, and normalizing the economic situation and the people's living conditions. That is why guidance in trade activities must be stepped up in relation to production so as to respond to the above-mentioned requirements.

1. [as heard] Internal Trade

Through the process of transformation and construction, the internal trade sector has the following duties: Strive to serve and promote the restoration and expansion of production, expand existing markets in various localities or gradually realize the plan to reorganize socialist markets throughout the country, organize the effective circulation and distribution of goods, maintain stable prices, contribute to normalizing the people's lives, reorganize and step up the management of enterprises, attentively balance the values of money and goods, actively work to bring stability to financial and monetary affairs, and increase socialist savings. We must expand the state trade forces and the state trade organization; gradually acquire the proper attitude toward wholesaling; expand the collection and purchase of agricultural products, forest products, handicrafts and industrial goods manufactured in the country; and closely coordinate the state retail trade network and the network of purchases and sales by peasant cooperatives and shops run by public organizations and offices to expand existing markets distributing goods to the consumer.

Additional trade policies and methods must be adopted in 1978. Attention must be paid to training and developing cadres, implementing the Central Committee's unified guidance on internal trade and reorganizing levels of management for localities with a view to implementing the following plans and policies: In urban areas, efforts must be made to meet the needs for meat, fish and other food items and to promote the role of state trade in managing markets and gradually transforming socialism in the private trade sector. In the countryside, attention must be paid to extending state trade activities to the canton level by linking them to the organization of peasant collective purchases and sales in order to distribute some production tools and essential necessities to each family.

The two-pronged trading relations between the state and the peasants must be implemented. A plan must be laid to supply food to farmers; to readjust transportation and the receiving, handling and storing of goods; and to avoid and remedy any situation in which goods may be damaged, spoiled or backlogged. Statistics work, economic plans and accounting in the state trade sector must be stepped up.

2. Import and Export and the Use of Foreign Aid

In import and export work and in using aid materials, economic relations must be conducted in accordance with the party and state line--that is, primarily to strengthen assistance and cooperation with the fraternal socialist countries and develop relations with the fraternal socialist countries and develop relations with other countries on the basis of equality and mutual benefit, with a view to positively contributing to building an independent and sovereign socialist economy. In using foreign aid, we must import some essential goods and materials to serve production and the living conditions of the working people.

Moreover, it is necessary to step up the task of surveying, planning and managing basic establishments in order to speed up the construction of various enterprises to which foreign technical and material assistance has been given and of some other enterprises which will be established in coordination with foreign countries. We must study and implement various effective measures to quickly increase export resources and step up the exports in the interest of import activities.

The state shall import and export important goods directly and shall regard as an especially important factor the development of trade relations with the various fraternal socialist countries. Under government supervision, the Ministry of Industry and Commerce, the National Planning Committee, the Ministry of Finance and the National Bank have the duty of coordinating with other countries in carrying out the management of imports and exports, the use of foreign aid and cooperating with foreign countries on economic matters.

The various provinces authorized to manage import and export enterprises must correctly comply with state policies and plans.

VI. Education and Training Task

In implementing the direction that the ideological and cultural revolution must lead other affairs, our efforts to carry out the educational, training, cultural and public health tasks in the next 3 years are of paramount importance since we must now strive to promote the sense of socialist consciousness, promote and raise the level of culture and the health of the broad masses of the people, expand the ranks of cadres and specialized workers to serve our immediate needs as well as the need for the close coordination between transformation and construction, advance socialist production relations in the national economy and be prepared to carry out the plan to develop the economy and culture on a larger scale, beginning in 1981. We must also insure the consolidation of socialist production relations and build the material and technical bases for socialism.

1. On Education

To respond to the urgent requirements of the task of raising the cultural level of the working people, such as those cadres who are positively serving economic transformation and construction and national defense, the entire party, administrations at all levels and the people must profoundly grasp the importance of education and be highly determined to build a new type of education--national and socialist education. We must develop education a step further by coordinating study with practical deeds, by coordinating cultural study with labor and production activities, by coordinating studying in classes with studying in society. We must continue our efforts to eliminate illiteracy and simultaneously carry out cultural training and elementary and vocational training in a vigorous and extensive manner.

Among the above-mentioned education aspects, the task of eliminating illiteracy and providing cultural training is of paramount importance. In the next 3 years, we must strive to completely stamp out illiteracy among people of all nationalities from the ages of 15 to 45 and must immediately provide cultural training for literate persons. In 1978, we must stamp out illiteracy for about 400,000 people.

Regarding cultural training, party members, cadres, combatants and youths must basically complete primary classes in the next 3 years. First of all, attention will be paid to key cadres and party members. Those who have completed their primary classes must continue classroom study for another year. Compulsory education must be imposed so as to achieve the cultural training objectives. Cultural training must be promoted for cadres at the district and provincial levels so that by 1980 50 percent of them will have had cultural education at the secondary level. This will create conditions for raising the level of leadership and management.

We must provide special cultural training for some youths who have shown high levels of achievements and for the children of workers and peasants of the various ethnic minorities and of revolutionary families. They must be able to complete their secondary and higher educations so that they can pursue further studies in vocational schools and colleges. We must restore and build additional schools for youths of ethnic minorities in various localities and build schools in the vicinity of agricultural and forestry communes.

Regarding elementary education, it is necessary to quickly build elementary schools at the canton and village levels and in minority areas to insure that children of the people of all nationalities from the age of 6 upward have schools in which to study.

Elementary school teachers at the canton level such as those in minority areas, must serve as a vanguard force in eradicating illiteracy and in cultural training. These teachers should become the core of culture and information and sources of knowledge on production, science and the new way of life.

The ranks of teachers must be nurtured. They must profoundly understand the ideology of socialist revolution, be competent in work and be active assistants of the administration at the canton and village levels in the cultural and educational spheres.

Emphasis in the development of elementary education in the years to come will be centered on the secondary level. We must mobilize the students who have completed their primary education to further their studies in secondary schools in order to create conditions for the expansion of higher education.

We must build secondary schools in cantons and primary schools in villages. A secondary school should be built for every two or three cantons, and a higher education school for every one or two districts. We must create conditions under which students can go to school not far from their homes.

It is expected that in the 1977-78 school year, 1,290 students will complete their higher education--an increase of 57 percent over the previous year. In the 1976-77 school year, 7,400 students completed their secondary classes--an increase of 100 percent over the previous year. In the 1978-79 school year, it is expected that 582,000 students will enroll in schools--an overall increase of 11.7 percent over the 1977-78 school year, or an increase of 10 percent for primary schools, 23 percent for secondary schools and 49 percent for higher education schools.

Key tasks in educational development are to quickly formulate formal teaching programs; to select subject matter for elementary and cultural training classes; to nurture and expand the ranks of teachers, make them understand socialist ideology and enable them to firmly grasp the contents, direction and methods of the new education; to formulate various state systems for building technical and material bases and for educational organization and management; and to mobilize the people to contribute to building primary and secondary schools, to eliminating illiteracy and to proper cultural training at the canton level.

We must organize the participation of teachers and students in the construction of socialist schools, strengthen educational management at the canton and district levels, bring into full play the role and responsibilities of the various specialized branches and the leading role of party committees and the local administration, and promote the positive participation of the various popular organizations, such as the Lao People's Revolutionary Youth Union, in expanding the educational task.

2. Nurturing and Building Cadres and Workers

Detailed plans must be adopted for the selection of students, the expansion of vocational education, the nurturing of technical cadres and the future schooling of students who will graduate in the next 3 years. This will meet the requirements for each year and for the next 5 to 10 years.

The students who have completed their studies, as well as currently employed cadres who have completed higher and vocational education, must be appropriately assigned to various offices. They should be specially selected for important ministries and needy localities. This will strengthen the ranks of teachers in specialized training schools, increase personnel for basic survey and planning activities and supply specialized cadres to factories, agricultural and forestry settlements and various basic construction units.

Additional plans must be formulated to increase the number of students in specialized training schools every year. Apart from selecting from among the students who have completed secondary and higher education, special attention must be paid to increasing the number of students in specialized training schools by providing cultural training for students who are attending secondary and higher education schools and by selecting from among fully qualified young cadres and office employees who have completed their secondary and higher education. Students attending specialized training schools must have sound revolutionary qualifications and must pass academic tests. Attention must be paid to the children of workers, peasants and laboring people as well as to the families of cadres and combatants. Ethnic minority people must be appropriately treated; for example, girls should be selected for appropriate branches of study.

Additional classes and schools should be opened in order to expand the building of intermediate and basic specialized cadres and technical workers in the country. The Ministry of Education and the National Planning Committee must coordinate with various ministries so as to respond to requirements for training and overall planning in various schools. Responsibilities should be shared between ministries and provinces. Additional schools of agriculture, forestry and irrigation should be constructed in the north, the south and the central region. Moreover, construction and transportation schools, industrial and vocational schools, commercial, financial and banking schools, accountancy schools and engineering and construction schools should be built in each region.

Regarding education at the university level, the medical college shall be transferred to the Ministry of Public Health; teacher training colleges should be improved; and preparations should be made to establish universities teaching a variety of subjects, first of all electric and mechanical engineering.

We must build intermediate-level schools, primarily teaching agricultural, forestry and construction subjects, and pave the way for such schools to become universities in the future. The sending of students to study abroad must be based on the need for expanding the various sectors in the next 4 to 7 years. In 1978, we must build four primary teacher training schools--one each in Champassak, Khammouane, Houa Phan and Phong Saly provinces--and two secondary teacher training schools in Xieng Khouang and Oudomsai provinces.

There are now 8,655 students in the various teacher training schools, including 2,649 students who will be graduated in 1978. As for the 3,116 students currently taking agricultural, forestry, irrigation, industrial, communication, postal and public health courses, it is expected that 1,258 of them will graduate in 1978. In 1978, the number of vocational school students will be 11,170, 70 percent of them in teacher training. The Ministry of Agriculture, Forestry and Irrigation, the Ministry of Industry and Commerce, the Ministry of Posts and Telecommunications and the Ministry of Public Health must assist the various provinces in opening basic training courses for cadres to promptly meet the requirements of the administration at the district and canton levels and to create conditions for building more intermediate-level specialized training schools.

It is expected that 1,370 students will be sent to study abroad in 1978, including 460 university students and 910 vocational students.

The Ministry of Education is responsible for overseeing the general curriculum and all specialized training tasks. It has the duty of analyzing various unified policies and rules of the state in coordination with the National Planning Committee and various ministries and provinces so as to formulate training plans and examine the results of the implementation of policies, rules and plans. It also has the duty of administering the students who are under the jurisdiction of our embassies in various countries and the management of the various schools under its direct supervision.

VII. Culture and Information

Regarding work in the field of newspapers, radio stations, the publishing industry, museums, motion pictures, artistic activities and other cultural activities, it is necessary to emphasize political content and the understanding of the attitude, line and policies of the party. This is to serve the publication, study and training activities relevant to the plans and policies of the party and state among broad groups of cadres and people in order to meet the requirements in the cultural and spiritual life of the people and to contribute to the vigorous mobilization of the revolutionary movements of the masses.

It is necessary to expand the distribution of newspapers to the district and canton levels, train the cadres and people to maintain the habit of reading the party paper, and make preparations for printing and distributing the journals of the various youth, trade and women's unions and provincial bulletins.

It is also necessary to step up the editorial work of the central news agency and radio, consolidate the management of local radio stations, and expand the loudspeaker network in each town and the information network in each canton. It is necessary to continue to transform the various private printing operations into state-private enterprises. The state must manage the various publishing houses and organize them to print and distribute textbooks, political books, scientific and technical books and cultural books.

Special attention must be paid to the publication of various types of books in order to serve students of our culture. The contents of these books must be related to the basic contents of educational propaganda and training aimed at carrying out immediate tasks. It is necessary to consolidate the national library while setting up more libraries in various localities and supplying them with more books.

The total number of books of all types printed in 1978 was 667,420, or 45.4 percent more than that number of books printed in 1977 [years as heard]. Regarding motion pictures, imported films must be carefully selected. More mobile film projection units must be set up to serve the people in all villages and cantons. Film shows must be carried out in coordination with exhibitions and the distribution of books and other publications. Theaters must be set up in municipal areas. A number of film studios must also be set up in order to expand the production of documentary films and to proceed to the production of other types of motion pictures. Attention must be paid to producing slides to serve propaganda and training work in the rural areas.

New programs must be prepared for the various art and literature units of the central command and provinces with a view to serving current political tasks. Attention must be paid to providing guidance to the art and literature movements of the masses and to setting up a system of revolutionary and historical museums in provincial towns and various localities.

VIII. Public Health, Sports and Exercise

Public health work is aimed at widely serving the laboring people. Arrangements must be made to set up various levels--at the canton, district, provincial and central levels--to provide services for the people to help them maintain good health. Special attention must be paid to taking care of mothers and children. Efforts must be made to reduce infant mortality and to prevent and combat contagious diseases. Plans must be formulated to restrict and eliminate malaria, while gradually finding ways to prevent and combat other diseases, including tuberculosis, intestinal worms and dermatosis. Plans must also be laid to set up and administrate leprosariums.

It is necessary to step up the training of public health cadres, pharmacists and midwives at all levels; provide training for the contingent of public health cadres on the proper attitudes and working procedures of socialist doctors; exercise closer management over medicine production and the import of medicines; and make arrangements to effectively distribute medicines and medical equipment. In particular, it is necessary to make use of indigenous pharmaceutical sources, herbal medicine doctors and traditional herbal medicine treatments.

Coordinating with the public health branch, the state trade branch must be reorganized to manage the selling of medicines and the expansion of the pharmacy network in towns and rural areas. The state trade branch must also insure that various types of ordinary medicines and medical equipment are provided to the people. It is necessary to expand children's clinics in each canton as well as to set up hospitals in all districts. Attention must be paid to organizing a network of health workers so that they can advise the people on enthusiastically implementing hygienic principles in the prevention of disease. At the same time, it is necessary to step up the management of various hospitals, particularly large hospitals, and to set up mobile medical teams to serve remote and mountainous areas where ethnic minority people live.

In 1978, it is necessary to increase hospital beds by 17 percent compared with the number available in 1977. First of all, additional beds must be given to district and canton hospitals. Ten additional district hospitals and 222 additional canton hospitals must be set up in 1978.

Along with public health work, the Education Ministry must step up the guidance of the sports and exercise activities in various localities, in particular at schools and among youths, cadres and workers. Sports and exercise must be carried out in accordance with the all-round requirements in the building of new socialist men. It is necessary to promote the good health of the people in the service of production and of the fulfillment of all tasks.

Part Three: Overall Review

Beloved excellencies and comrades:

We are very proud to see that in pursuing the very complicated struggle to defend and build the country against the obstructive schemes and attacks by the imperialists and various reactionary powers, our LPDR has been incessantly consolidated in all fields and is now majestically marching forward along the path of socialism. Various factors decisive to the success of our country's new revolutionary tasks have been incessantly fostered, promoted and expanded.

The correct line and policies on the thorough revolution being carried out by our party and state, a line and policies which have been tested in practical conditions of struggle, have become a banner encouraging and concentrating millions of people of various nationalities to unite and overcome all difficulties and to strive and concentrate all energies and efforts on building the country and a new life. The revolutionary forces--which are composed of administrations at various levels, the armed forces and the peoples peace-keeping forces--and the great solidarity front of various nationalities, which is based on the worker-peasant alliance and is under party leadership, have been increasingly consolidated and developed.

International support and assistance, particularly the great assistance given by the various fraternal socialist countries, and the relations, the alliance and cooperation between Laos and Vietnam in building and defending the country have created very favorable conditions for us to resolve all difficult issues and to continue the vigorous development of the various internal aspects of our revolution.

Through the practical conditions of the struggle over the past 2 years and through our glorious successes in fulfilling various tasks as well as some remaining tasks now being resolved, we have come to further profoundly understand the various special characteristics of the new stage of revolution, the great, blooming potential of our country and people of various nationalities, and our important requirements in the immediate future.

To successfully fulfill the heavy but very glorious and honorable historic tasks of our nation:

1. First and foremost, we must genuinely and clearly understand the complicated class struggle characteristics, national characteristics and international characteristics of the cause of socialist revolution in our country. Socialist revolution in general is a very deep, thorough, bold but complicated class struggle; the socialist revolution in our country also has these characteristics. Furthermore, our revolution has assumed the position of the main outpost of socialism in Southeast Asia where direct, fierce fighting in all fields has taken place between the various genuine revolutionary forces and imperialism in alliance with the various reactionary powers whose aim is to sabotage our revolution and to restrict, check and counter attack the various revolutionary forces in this region.

In view of this, we must increase our revolutionary vigilance to an ever higher degree, further strengthen our solidarity around the party Central Committee and the government, and strive to build and train ourselves to make great strides in the economic, political and military fields. We must make our best efforts to successfully implement the direction and duties for the next 3 years--from 1978 to 1980--and the national plan for 1978 with a view to bringing about a turning point of strategic significance in our country's march toward socialism. Any irresponsible activities, lack of vigilance, lack of talent, failure to conscientiously carry out class struggle, lack of unity, reluctance in any form, or lack of perseverance and industriousness could damage the revolution and the future of the nation.

2. We must firmly grasp the independent, sovereign line of socialism of our party and state; firmly grasp the basic spirit of the direction and duties for the next 3 years--1978 to 1980; and profoundly understand the duties and national plan for 1978. It is necessary to strengthen the system of popular and democratic administration under the party leadership; uphold the laboring people's rights of collective mastership; simultaneously advance the three revolutions; strive to strengthen socialist production relations by building the national economy step by step; accelerate the transformation; building and development of the economy and culture by using the transformation and development of agriculture and forestry as the basis; step up the task of maintaining peace and public order and defending the country among the entire people; and strive to build the revolutionary forces in all respects.

We must concentrate all efforts on vigorously developing agriculture and forestry work so as to use it as a firm basis for industrial development. At the same time, it is necessary to carry out industrial work in service of the vigorous development of agriculture and forestry. It is also necessary to firmly grasp the trade issue and effectively make use of trade activities to spur production and to serve the daily life of the people. Efforts must be made to vigorously promote and expand the spirit of self-reliance. We must strive to enhance all positions of strength in the field of natural resources and existing technical [thetnik] factories while striving to exploit raw materials and to make use of all available tools to develop production.

At the same time, it is necessary to draw support and assistance from foreign countries; strengthen the relations and cooperation with various fraternal socialist countries; strengthen the cooperation and mutual assistance between Laos and Vietnam; and broaden economic relations and cooperation with the various nonaligned countries, as well as with other countries on the basis of respect for each other's independence and sovereignty, noninterference in each other's internal affairs, equality, and mutual benefit.

We must profoundly realize that our foreign relations must be based on relations of cooperation and mutual support and assistance with the various socialist countries. It is necessary to clearly understand that we accept international assistance with the purpose of promoting and expanding our independence and sovereignty and on the premise that the more effectively we promote and expand independence and sovereignty, the more effectively we can draw upon and make use of international assistance.

The spirit of profound patriotism and the sense of awareness of all cadres of the party and state, who are genuine representatives of our people of various nationalities, have been demonstrated in their profound understanding of the line, plans and policies of the party and state and in their endeavors to uphold their sense of responsibility and to increase their capabilities and initiatives in order to organize the successful implementation of the aforementioned line. This line is a deep aspiration of our entire people, represents the life of our nation, and a very decisive factor for the settlement of the question of who will win over whom between the two lines--socialism and capitalism--in our country.

3. We must continue to expound on the line of the party and state and organize to implement it while striving to establish regulations on the organization and management of the economic system of various state organizations. While maintaining the correct line and direction, to actually achieve success, we must expound on the line and take action to realize it.

Our people of various nationalities have scored many rich experiences in carrying out the revolutionary struggle under the leadership of our party. We can review those experiences and make them our very basic lessons which will be useful to us, in the present and future as in the past. Learning from experience, we have come to understand that after the party has adopted the correct line, the very basic and decisive problem is to make arrangements to implement it and to make it the basis of the revolutionary activities of the broad masses and a great material strength upon which to win every victory.

Many factors have limited our successes. One of the most important points is that we have failed to expound on the line and make effective arrangements to implement it. Therefore, the various ministries and branches at the central and provincial levels must coordinate in promoting and expanding the spirit of revolutionary enthusiasm and concentrate on studying the line, expounding on it and putting it into actual practice. All branches at all levels must go deeper into the grassroots level and closely associate with the revolutionary movements of the masses so as to make arrangements to successfully implement the plans and policies of the party and state.

The various successful experiences accumulated by Phong Saly Province; Moung Nong Bok, Khammouane Province; Muong Phon Thong, Champassak Province; and Taseng Gnot Gneum, Xieng Khouang Province, in countering enemies, building basic establishments, nurturing and building cadres, organizing and expanding production and improving the people's living conditions on the basis of self-reliance are of the practical, organizational value. Such successes demonstrate to us one extremely important aspect--that is, the people are extremely confident in the party and state, and they have a high revolutionary spirit. Only by expounding to them the party and state policies and plans and by organizing and giving them advice can the people find ways to resolve their problems and triumphantly fulfill all tasks, in spite of enormous difficulties.

At present, we have not had sufficient practical experience in socialist transformation and construction. We must resolutely rely on the people and organize experimental activities from which to draw experience; only through actual work can we draw experiences. Each ministry, branch, province and district must organize experiments from which broad revolutionary movements of the masses will emerge.

In other fields, after achieving success in organizational and practical work, we can then gradually perfect the various plans and policies and improve and formulate organizational and management rules and regulations of the state and various ministries, sectors, provinces and districts aimed at implementing in a correct and creative manner the centralized and unified guidance of the party Central Committee and the government and aimed at carrying out the management role of the various ministerial branches, as well as the all-round management and guidance role of the administration at the provincial and district levels in various activities in their localities.

4. We must agitate for a high revolutionary spirit among the people of all nationalities and fully promote the people's right of collective mastership. After passing through practical mass agitation work and after implementing and promoting the people's right to mastership, we now profoundly understand that the evolution of the implementation and promotion of the people's right to all-round collective mastership is in itself the basic factor in the evolution of the offensives against the enemy; of the building of revolutionary bases, the revolutionary administration and the armed forces of the masses; of the reorganization of production and work; and of the building of new production relations at the grassroots level.

The above-mentioned evolutions are closely interrelated, like body and soul. Without them the people can never succeed in bringing into full play their genuine right to collective mastership in the political, economic and national defense spheres. Only by truly implementing and promoting their right to mastership can the people create a high revolutionary spirit, vigorously step up production, improve their living conditions, build the administration and a powerful people's armed forces and maintain public order and tranquility and work toward national construction.

The various branches at the various levels must focus their attention on mass agitation work, constantly pay attention to guiding, helping, examining and encouraging the mass agitation movements, and incessantly promote the people's right to collective mastership. This is an urgent requirement for bringing about active revolutionary changes and new developments in socialist revolution and construction in the many years to come. All this represents the splendid nature of our system and the mass attitude of our party.

We must resolutely oppose the disease of bureaucratism and activities that are disassociated from the people or that show a lack of confidence in the masses and a lack of full respect for their right of mastership. The relationship between the leadership and the masses is a time-honored, valuable tradition of our revolution. It can create great strength to guarantee the success of all revolutionary tasks. Under the new regime, we now have favorable conditions to bring into full play such a valuable tradition so as to initiate enthusiastic mass revolutionary movements and mobilize the basic strength of the system of mass collective mastership for victoriously materializing all the plans and policies adopted by the party and state.

5. We must strive to study and learn. We must regard studying and learning as the duty of all cadres, party members and people in training and tempering themselves. To successfully build socialism and resolve the question of who wins over whom between the two lines--socialism and capitalism--we must be determined to carry out our revolution and must firmly grasp the rules and regulations of socialism so that we can creatively apply them in the practical conditions prevailing in our country. We must also have broad knowledge in various fields, such as culture, science, technology and social and economic management. This is an urgent call for all cadres, party members and our people in the cause of socialist transformation and construction.

Every Lao citizen must now effectively carry out his three sacred tasks--to creatively, vigorously and efficiently engage in labor so as to carry out socialist construction; to defend the country; and to study. Therefore, all citizens, from leading cadres down to ordinary people, regardless of their age and sex, must strive to study. If they fail to persistently and constantly study, they can never fulfill their duties or raise the quality of their work. Such a failure could drive one to disassociate himself from the revolutionary movements of the masses.

In parallel with creating interest in studying and ridding ourselves of complacency, we must build a firm system of study and maintain strict discipline in learning. The processes of studying and learning must conform with each objective. Independent study must be coordinated with classroom study and with study associated with the revolutionary movements of the people. While studying, special attention must be paid to reviewing and summing up what we have learned of basic problems. The Ministry of Education and other organizations concerned must cooperate with each other and formulate detailed plans in this regard.

Respected excellencies and comrades: Though the road toward building socialism in our country, with the purpose of materializing our people's time-honored earnest aspirations, is still complex and replete with difficulties, recalling the historic path our country has traversed, we maintain that never have we enjoyed so great and favorable basic conditions as we do today.

Our country is an heroic, ardent, talented and creative nation with a tradition of unity and indomitable struggle, and it does not shrink from difficulties. Under the party leadership, our people of all nationalities, starting from scratch, have scored brilliant, great achievements unprecedented in the history of our nation.

Our people have achieved complete independence and unity. The revolutionary administration has been built throughout the country and is becoming more consolidated and stronger. The people of all nationalities, with their firm confidence in the party and state and closely united around the national united front built on the basis of the worker-peasant alliance, are bringing into full play their collective mastery and courageously overcoming all difficulties in building and defending their beloved homeland. Our revolutionary armed forces and our popular peace-keeping forces, sharp weapons of the party and people's democratic state, have rapidly matured. Moreover, we are enjoying great and effective assistance from fraternal socialist countries; we cooperate and have a firm alliance with Vietnam; and we are receiving support and assistance from our friends near and far.

With the clear-sighted and correct leadership of our party and state, developing our basic advantages, we shall vigorously and steadily advance to new successes in building socialism on our soil.

For our socialist fatherland and for a happy and bountiful life for the people of all nationalities and our children and grandchildren, let the entire army and people, under the leadership of the party and state, unite as one, continually heighten their vigilance and strive to bring into full play the revolutionary offensive spirit as well as the determination to fight, to win and to march forward.

Long live the honorable, glorious LPDR!

Long live the LPRP, organizer and leader of all successes of the Lao revolution!

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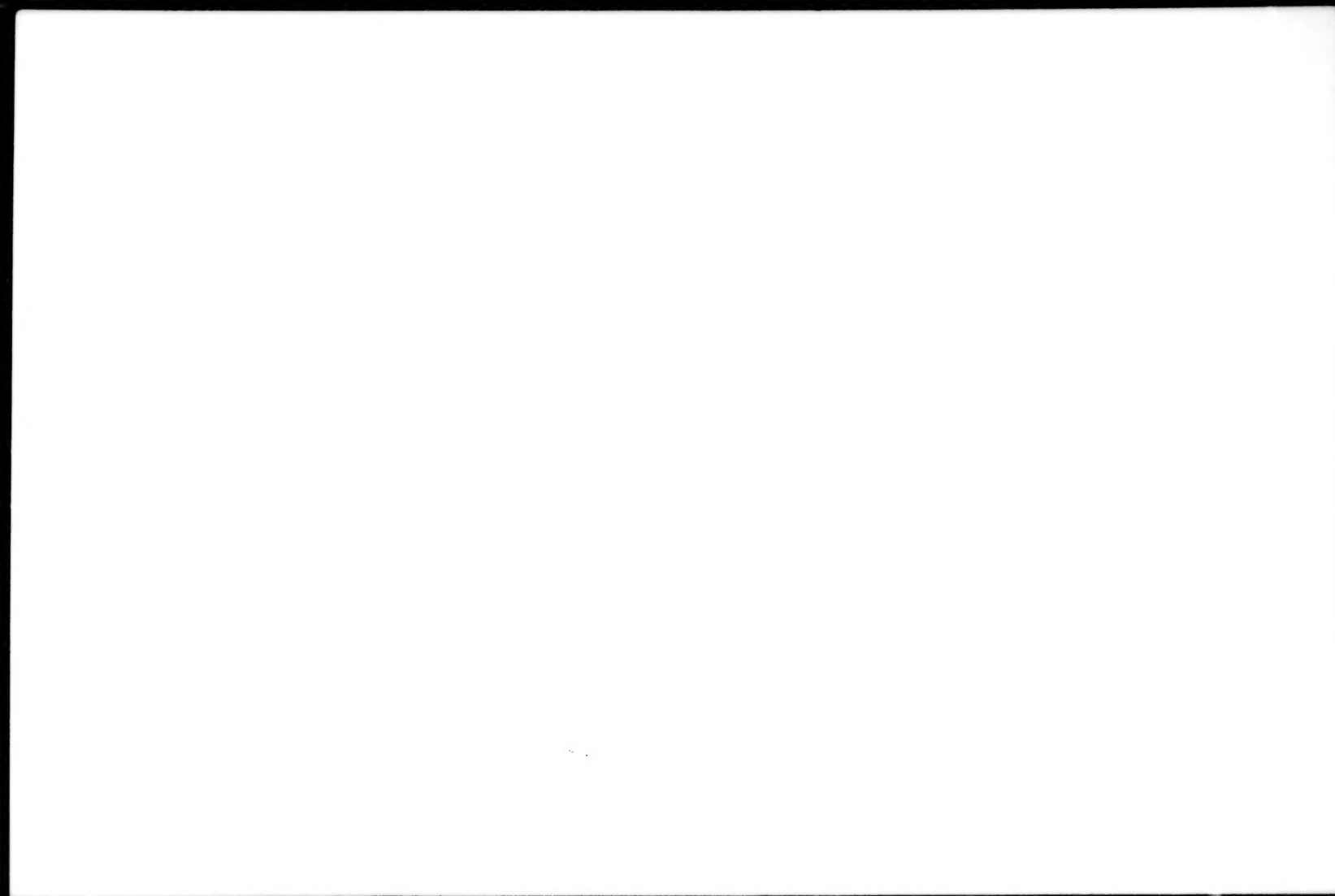
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